

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor’s Legislative Team

at MileHighOrdinance@DenverGov.org by **9:00am on Friday**. Contact the Mayor’s Legislative team with questions

Date of Request: July 22, 2024

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:**

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.)

Approves a contract for \$1,700,000 in American Rescue Plan Act (ARPA) funds between the City and County of Denver and Downtown Denver Partnership, Inc. through 8-31-2026 to address the continued negative economic impacts of the COVID-19 pandemic on Denver’s economy with a specific focus on the retail sectors, in District 10.

3. Requesting Agency: Denver Economic Development & Opportunity

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Deborah Cameron	Name: Patrick Walton
Email: deborah.cameron@denvergov.org	Email: patrick.walton@denvergov.org

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

See Executive Summary.

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

7. City Council District: District 10

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

To be completed by Mayor’s Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Key Contract Terms

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

Professional Services

Vendor/Contractor Name: Downtown Denver Partnership, Inc.

Contract control number: OEDEV-202474415-00

Location: 1515 Arapahoe Street, Denver CO 80202

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

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

07/15/24 – 08/31/26

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)
\$1,700,000	N/A	\$1,700,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
07/15/24 – 08/31/26	N/A	N/A

Scope of work:

The Downtown Denver Partnership (DDP) will focus the funds on a Vibrant Downtown Denver Recovery campaign aimed at increasing activity in the center city. A comprehensive amplified program will bring pedestrian traffic back to the center city. This will promote increased consumer spending to support businesses and employees impacted by the pandemic. Increased activity will also reduce crime. The energetic atmosphere created by the campaign will encourage people to spend time and money in Downtown Denver.

The campaign will focus on the following approaches:

- A. 16th Street Patio Enhancement, Expansion and Façade Improvements
- B. Retail Activation
- C. 16th Street Activations
- D. Administration of Activities (charged at 10%)

Was this contractor selected by competitive process? No

If not, why not? Downtown Denver Partnership, Inc. was selected via Sole Source to be the contractor for this contract based on their unique position as the Downtown Denver Business Improvement District.

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

Source of funds: ARPA Coronavirus State and Local Fiscal Recovery Funds

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

The purpose of this resolution is to approve a contract for \$1,700,000 in American Rescue Plan Act (ARPA) funding between the City & County of Denver and Downtown Denver Partnership, Inc. in response to the COVID-19 pandemic. The Downtown Denver Partnership (DDP) will focus the funds on a Vibrant Downtown Denver Recovery campaign aimed at increasing activity in the center city.

Today, one of the greatest opportunities for Downtown Denver's post-pandemic revival hinges on the iconic 16th Street experience and currently there are limited resources to address its future beyond infrastructure, landscape, and hardscape. Daily pedestrian traffic in Downtown is at 77 percent of 2019 levels, and retail vacancy rates, along what was once a thriving retail corridor, are at 29 percent, equating to more than 125,000 square feet of vacant ground floor space. A post-pandemic decline in public transportation use of 50 percent has also significantly impacted the corridor. The increase in office vacancies serves to exacerbate concerns about public safety and has caused area amenities to cease operations.

The campaign will focus on the following approaches:

- I. **16th Street Patio Enhancement, Expansion and Façade Improvements** Small businesses located along 16th Street have experienced significant disruption because of the pandemic, and those disruptions have been extended due to the construction located on 16th street. These disruptions have negatively impacted revenues which has restricted their ability to make improvements to their businesses. This project will provide grants to support small businesses on, or adjacent to, 16th Street to encourage storefront and patio enhancements and expansions. Grants would support and encourage businesses who want to enhance or expand their patio space, and/or update the facades of their buildings, including awnings, windows, doors, signs, etc.
- II. **Denver Retail Tenanting Strategy Phase III** The "Popup Denver" retail program was designed and launched as a pilot ground floor activation effort in 2021-2022 to address three major factors impacting the vitality of downtown Denver's iconic 16th Street commercial corridor: the ever-changing face of retail; COVID-19 economic impacts; and potential 16th St reconstruction project impacts. This effort reduced groundfloor vacancy on 16th Street by 5% within a year, and established Popup Denver as a tool to attract diverse, local, and independent retail entrepreneurs to the downtown Denver market.

Phase II of DDP's work with DEDO on groundfloor strategy began in 2023, focusing on an expanded community engagement framework that included convening stakeholder focus groups; conducting a regional perception survey that yielded more than 800 responses; and mounting a comprehensive data collection effort to develop six downtown submarket "character districts" that eventually informed the creation of a "Why Downtown Denver" web-based tenant recruitment tool with a GIS-based interactive leasing inventory.

Based on insights from the program's previous stages, Phase III of the groundfloor tenanting effort will build on the insights and tools introduced in the program's previous stages, while shifting its focus back to 16th Street in several targeted ways in anticipation of the reconstruction project's conclusion in 2025 and the Phase II program finding that 20% of downtown groundfloor vacancies are located on 16th Street. The program will continue to evolve to reflect shifting market conditions, including taking a block-by-block approach to developing and implementing tenanting strategies that reinforce both the character of the iconic commercial corridor as a whole and specific activity nodes, marrying the public space along 16th Street with its groundfloor experience to create and implement a new vision for the corridor as a modern anchor for downtown Denver, the City of Denver and the region.

In addition to the leasing incentives, funds will also support DDP to retain an external retail advisor and project manager to focus on 16th Street through 2025. Activities will include generating retail leads, recruiting retailers to locate on 16th Street, coordinating negotiations with building owners and brokers, and facilitating efficient permitting processes with the City. The advisor will work closely with DEDO's and DDP's Economic Development teams.

Funds will also be available to support landlords responding to market conditions that demand the sub-division of spaces that are too large for today's risk averse retail and dining market. Of the 43 current vacancies on 16th Street, more than one quarter exceed 5,000 square feet in size. The most marketable retail spaces under current market conditions are 1,500 square feet or smaller. Funds will be distributed based on a competitive application process to demonstrate the community benefit of the tenants that will be occupying the newly created spaces.

- III. **16th Street Activations** DDP will plan, organize, execute single or multi-block activations along 16th Street to encourage pedestrian activities and support small businesses.

To be completed by Mayor's Legislative Team:

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Date Entered: _____

DDP will organize and execute large-scale activation(s) as 16th Street becomes fully reopened. This activation will seek to draw people to the heart of downtown which will support downtown businesses and provide opportunities for Coloradans from near and far to gather as a community and support businesses located in downtown and specifically 16th Street.

The activation(s) will help recognize and promote small businesses who have both remained open since the height of the pandemic and those that have more recently opened along 16th Street. This program is not a grant program, but the Partnership will utilize various experts, internal and external, to help design, create, market, manage, and execute on the activations or events.

IV. Administration of Activities (charged at 10%)

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