

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: 3/25/2021

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:

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 4th Amendment to Lease and Agreement with Safeway Inc. as Landlord at 3698 W 44th Ave, for Northwest DMV Branch

3. **Requesting Agency:** *Finance*

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:**

Clarifies payment of operating expenses; please see attached executive summary.

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

7. **City Council District:** *1, Amanda Sandoval*

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

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: RR21 0387

Date Entered: _____

Key Contract Terms

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

Vendor/Contractor Name: *Safeway Inc.*

Contract control number: *FINAN-202158044*

Location: *3698 W 44th Ave*

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?** *4*

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):
Existing term 6/8/1994 – 12/31/2023; amendment does not change dates

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

<i>Current Contract Amount (A)</i>	<i>Additional Funds (B)</i>	<i>Total Contract Amount (A+B)</i>
<i>\$2,125,155.47</i>	<i>\$8,152.50</i>	<i>\$2,133,307.97</i>

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
<i>6/8/1994 – 12/31/2023</i>	<i>None</i>	<i>12/31/2023</i>

Scope of work:

Lease for DMV northwest branch location

Was this contractor selected by competitive process? *No* **If not, why not?** *Existing location*

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

Source of funds: *Finance*

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? *None*

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EXECUTIVE SUMMARY

This Fourth Amendment to Lease clarifies the City's maintenance obligations by clearly stating the repair and maintenance expenses that the City is responsible for paying. It also specifically states the portion of imminent HVAC repairs that the City will fund.

The Third Amendment converted the lease from a full-service (landlord pays all expenses) lease to a Triple Net lease (landlord pays taxes, insurance, and common area maintenance (CAM); City pays maintenance costs inside the space or directly attached to the space plus its pro rata share of tax, insurance and CAM).

The rooftop HVAC units serving the City's space were at the end of their useful lives when the lease was converted to Triple Net, as discovered by the City's Facilities department. Per the Third Amendment, the City would have had to fund 100% of the replacement of these units. The City successfully negotiated the landlord bearing 75% of the cost of replacement, with the City funding the remaining 25% (\$8,152.50), as set forth in the Fourth Amendment.

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