



101 W. Colfax Avenue

Purchase and Sale Agreement

Finance and Governance Committee
December 5, 2023
Resolution Request #23-1899

Background

- Beginning in 2016, the City began subleasing space in the 101 W. Colfax Building.
- The City currently occupies five floors totaling approximately 144,988 square feet.
- The Webb Building Capacity Project will allow the City to bring City agencies back into the Webb Building as subleases expire beginning in 2025.

Action Requested

Resolution Request No. 23-1899 | To approve a purchase and sale agreement between the City and County of Denver (City) and Kayan, LLC for 101 West Colfax Avenue (“101 Building,” formerly known as the Denver Post Building), in District 10.

Background

- In 2020, the Department of Finance (DOF) partnered with the Department of Transportation and Infrastructure (DOTI) and a consultant to complete a courts master plan.
- Space requirements were reviewed through 2040 for district, county, probate, and juvenile courts.
- The projections used the framework established in recent weighted caseload studies commissioned by the State of Colorado for judgeships and court staffing and changes to cases being sent down to county courts.

Proposed Acquisition of 101 Building

- This is a strategic opportunity for the city to meet future space needs.
- The city already occupies more than 50% of the 101 Building. The 2023 budgeted lease payment is approximately \$5 million in 2023.
- The city's IT infrastructure is already installed in this building.
- This building will provide additional office and court space to support judicial needs based upon a 2020 courts master plan and new city services in the future.
- Proximity to downtown courthouses makes this a preferred location.
- The purchase price falls within the appraisal value.

Courts Master Plan Findings

- Current courthouses include City and County Building, Lindsey Flanigan, Minoru Yasui, and Van Cise-Simonet Detention Center.

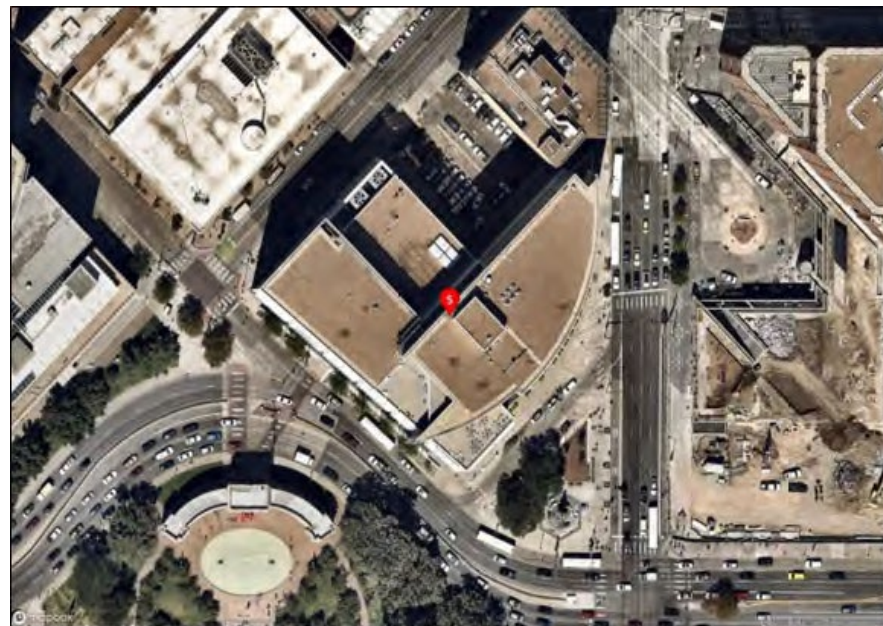
Year	Needed Square Footage (Deficit)	Total Additional Need
2020	50,450 sq. ft.	50,450 sq. ft.
2030	171,050 sq. ft.	221,500 sq. ft.
2040	58,500 sq. ft.	280,000 sq. ft.
		280,000 sq. ft.

Proposed Acquisition of 101 Building

- The city currently provides *undedicated* space to support judicial advocate services, such as Colorado Legal Services and multiple rental assistance programs.
- This is an opportunity to create dedicated space for nonprofit providers delivering these community services.



101 W. Colfax Avenue



Proposed Acquisition of 101 W. Colfax Avenue

- Purchase Price: \$88.5M
- Seller: Kayan, LLC
- Building Size: 305,733 square feet
- Land Size: 62,960 square feet
- Number of Floors: 11
- Parking Spaces: 635 spaces
- City Council District: 10
- Approximately Closing: March 2024

101 W. Colfax Avenue Generates Revenue

- DP Media Network, LLC has a master lease to the entire building that runs through October 2029.
- The first year of rent due to the city will be \$7,794,602.
- These rent payments will help the city cover the cost of financing the proposed acquisition through 2029.
- DP Media Network, LLC can make the required annual rental payment due to various sub-leases and parking revenue currently in place.
- Beyond 2029, the city will take full authority of the building and have continued revenue through public access paid parking.

Certificates of Participation

- The purchase will be financed with Certificates of Participation (COPs), which will require City Council approval and will follow in a separate action.
- Importantly, annual revenue from the Denver Post master lease will help cover the annual COP payments.
- It is anticipated that the COP transaction will be presented to Council in February 2024, and if approved, will close concurrently with the purchase and sale agreement in March 2024.



Questions?