



DENVER
THE MILE HIGH CITY

101 W. Colfax Avenue Sublease

Division of Real Estate
June 13, 2017

FOR CITY SERVICES VISIT | CALL
DenverGov.org | **311**

Citywide Space Requirements

Denver's continued growth of new residents is driving the need for providing new and expanded services in the City.

- Identify space opportunities to accommodate new FTE growth across the City for 2017 and 2018.
 - 225 new FTEs per year in 2016 and 2017 (average does not include Safety officers).
- Identify space reconfiguration or relocation options for agencies addressing operational needs to support expanded services.
- Identify space opportunities to support staffing for GO Bond projects, if approved.

City Portfolio Building Vacancy Report:

- Webb Building, 201 W. Colfax Avenue – less than 5 % vacancy
- City and County Building, 1437 Bannock Street – no vacancy
- Minoru Yasui Building, 303 W. Colfax Avenue – less than 5% vacancy
- 200 W. 14th Avenue – no vacancy
- Police Administration Building, 1331 Cherokee Street – 16% vacancy
- Elbra Wedgeworth Bldg, 2855 Tremont – less than 7% vacancy
- 10 Galapago Street – data center; office space at capacity
- 2100 31st Street – under construction; no vacancy upon occupancy
- Justice Center Garage Retail – 5,000 s.f. available
- Castro Building, 1200 Federal Blvd – no vacancy
- Arie P. Taylor Building, 4685 Peoria Street – no vacancy
- Gary Price Building, Central Platte Campus – less than 10% vacancy
- Wastewater Building, 2000 W. 3rd Avenue – no vacancy

- City agencies with largest new FTE requirements include:
 - City Attorney’s Office
 - Public Works
 - Technology Services
 - Community Planning and Development
- City agencies addressing organizational needs include:
 - Elections Division
 - Public Works
 - Safety
 - Department of Human Services
- New agencies were added including:
 - Office of Behavioral Health Strategies
 - Office of H.O.P.E.
- Citywide moves and changes to date - 1,055
 - Workstation Builds – 408
 - Moves - 647
 - Throughout the City, the moves and changes include conversion of storage rooms and conference rooms into workspace and multiple people working within a single cubicle or office due to lack of available space.

With City buildings at capacity and real estate lease rates at a premium, the Division of Real Estate has been developing on the most cost effective solutions to address the approved FTE growth and future anticipated growth throughout the city.

- The Division of Real Estate, partnering with Public Works and an outside consultant, completed the Safety master plan in 2016.
- We have commenced the master planning work for:
 - Public Works
 - Dept. of Human Services
 - Civic Center area plan update
 - Webb Building
 - Webb Building maintenance and space efficiencies:
 - » First occupied approximately 16 years ago.
 - » Due for maintenance, including replacement of carpet and paint.
 - » During this time we will need to relocate groups for a limited period of time to complete the work.
 - » Real Estate will use this as an opportunity to identify work space efficiencies in the office and furniture configurations.

WORKPLACE STRATEGY | NDCC TEST FITS

NDCC Pilot

CITY AND COUNTY OF DENVER | WEBB BUILDING
NDCC TEST FIT - BENCHMARKING



NDCC PROGRAM SUMMARY

SPACE ALLOCATION

The bar graph below demonstrates the average space type allocations (NSF) for the indicated City and County of Denver Industry Sector. The top section compares the overall City and County of Denver Industry Sector Average to the Industry Sector Average.

IDEAL WEBB BUILDING AVERAGE



NDCC TEST FIT PROGRAM



CIRCULATION

CURRENT WEBB BUILDING AVERAGE



NDCC TEST FIT PROGRAM

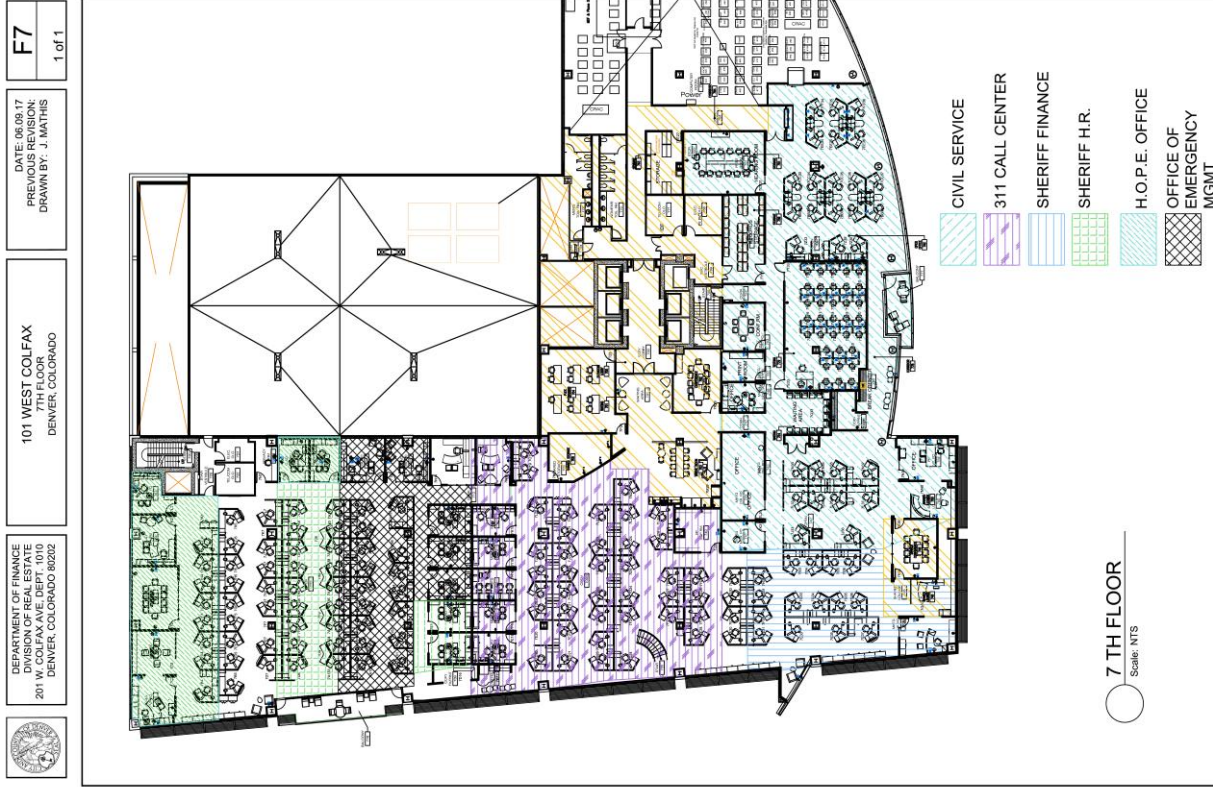


Circulation
Net Square Footage

Gensler 2017.03.31

DENVER CITY AND COUNTY OF DENVER | WELLINGTON E. WEBB MUNICIPAL OFFICE

- Leasing is a common solution during times of transition and high growth periods. It provides short and long term opportunities during renovations and FTE growth.
 - In 2016, the City entered into a sublease agreement with the Denver Post to sublease space in the 101 W. Colfax Avenue Building to address the FTE growth. **Within 10 months**, the space on the 1st and 7th floors are 98% occupied and the remaining space has been fully committed.
 - Current occupants include :
 - Office of the Independent Monitor
 - Civil Service Commission
 - Sheriff’s Finance
 - Sheriff’s Human Resources
 - 311 Call Center
 - Office of Emergency Management
 - H.O.P.E. Office
 - City agencies using the 231 seated auditorium include Sheriff’s Department for hiring events, Mayor’s Office of Children’s Affairs, Office of Emergency Management for training, and multiple staff meetings.



The Division of Real Estate was recently made aware of an opportunity to sublease the 8th floor at the 101 W. Colfax Avenue Building under the following terms:

- Premises: 8th floor consisting of approximately 46,823 square feet.
- Sublease Term: Approximately 7 years beginning no later than December 1, 2017.
- Rate: \$31.50/s.f.
- Operating Expenses: Operating Expenses begin in 2019.
- Tenant Improvement: Landlord is contributing \$568,000 towards construction of the required tenant improvements. Existing furniture is included.
- Renewal Option: One Renewal Right for a period up to September 9, 2029.
- Right of First Offer: Right of First Offer to sublease space that becomes available on the 11th floor.
- Total Amendment: \$11,216,373.91
- Total Contract Amount: \$21,689,704.84

The Division of Real Estate recommends moving forward with the amendment to lease additional space on the 8th floor of the 101 W. Colfax Avenue Building. The additional space will assist in accommodating new FTE growth across the City while the Division of Real Estate:

- Completes the master plans for Public Works, Webb Building, Dept of Human Services, and Civic Center area plan update.
- Formulates a plan to address additional staffing to support the GO Bond, if approved.
- Identifies, through the Webb Building maintenance, additional work space efficiencies for future growth opportunities.

Questions?