

**ORDINANCE/RESOLUTION REQUEST**

Please email requests to the Mayor’s Legislative Team

at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by **3:00pm on Monday**. Contact the Mayor’s Legislative team with questions

Date of Request: 4/21/2020

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: Land Acquisition Ordinance (LAO)

**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.)

Authorizes the Director of Real Estate to negotiate and amend City commercial leases in light of the COVID-19 pandemic to modify payment of rent amount for 3 months due to the COVID-19 crisis

**3. Requesting Agency:** DOF- Real Estate

**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:**

In support of those financially impacted by the COVID-19 crisis, City Council issued a proclamation on April 13, 2020 urging and supporting a moratorium on rents and mortgages. In addition, several city tenants reached out to the Division of Real Estate seeking rent relief due to the impacts of COVID. Please see attached Executive Summary for details on providing rent deferral for city tenants.

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

Bradley Beck and Jo Ann Weinstein

**7. City Council District:** City-Wide

**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):

**Vendor/Contractor Name:** N/A

**Contract control number:** N/A

**Location:** Various Locations

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

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

Amended lease durations may push existing lease expirations out for 3 months

**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)
<i>Varies</i>	<i>0</i>	<i>Varies</i>

  

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
<i>Varies</i>	<i>3 months</i>	<i>3 months after existing expiration</i>

**Scope of work:**

**Was this contractor selected by competitive process?** N/A **If not, why not?**

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

**Source of 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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Date Entered: \_\_\_\_\_

## EXECUTIVE SUMMARY

The Department of Finance is seeking City Council approval of an ordinance that will authorize the Division of Real Estate to negotiate and amend commercial leases in City-owned buildings to provide 3 months of rent relief in light of the COVID-19 pandemic.

- Because of COVID-19, City buildings are closed and/or nearly vacant due to the Governor's stay-at-home order
- The viability of tenants' businesses depends upon building occupancy; as such, we recognize that it is not necessarily feasible to pay rent during this time
- On April 13, 2020 City Council issued a proclamation urging and supporting a moratorium on rent because of the COVID-19 crisis
- The Division of Real Estate administers approximately 10 leases with non-nominal rent amounts for space within City owned buildings that would be subject to the terms of this policy as outlined below
- The CAO and Real Estate determined that the best way to provide rent relief during this time, while keeping total base rent the same over the term of the lease, is to offer 3 months of rent payment deferral in exchange for extending each lease term by 3 months
  - Tenants who have already paid rent for April, May and/or June will have the option to defer rent coming due in later months in 2020
  - During any rent deferral period, tenants who are contractually required to reimburse the City for operating expenses would not be relieved of this obligation to reimburse operating expenses
  - If all tenants take advantage of the 3 months of rent deferral, approximately \$137,000 in rent would be deferred
- Tenants to whom this deferral will be offered:
  1. 5280 Enterprises, LLC (Subway-Justice Center garage)
  2. 5280 Enterprises, LLC (Subway-Webb)
  3. Coffee Etcetera
  4. Dazbog Denver Bldg, LLC
  5. Denver Center for the Performing Arts (Garner Galleria Theatre)
  6. Dion Corp (Stockyard Inn)
  7. HJB Convenience (Russell's)
  8. National Western Center Authority
  9. Pizza Republica
  10. Wellshire, LLC
- AVD, Parks and other City agencies will determine how to handle their departments' leases (if any) that are not managed by the Division of Real Estate

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