

**ORDINANCE/RESOLUTION REQUEST**

Please email requests to the Mayor’s Legislative Team

at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by **11:00am on Monday**. Contact the Mayor’s Legislative team with questions

**Date of Request:** 1/9/23

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.)

Amends a loan agreement with the Montbello Organizing Committee to add two years for a new end date of nine years from the completion of construction on the FreshLo facility, to allow for the future transfer of the property located at 4690 Peoria Street, Denver, CO 80239 (aka 12300 Albrook Drive) to an affiliate, and to remove “cultural hub” and “grocery store” from Exhibit A, no change in contract amount.

**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: Doug Selbee Email: <a href="mailto:douglas.selbee@denvergov.org">douglas.selbee@denvergov.org</a>	Mayor-Council: Samantha Kirchner Email: <a href="mailto:samantha.kirchner@denvergov.org">samantha.kirchner@denvergov.org</a>
Name: Samantha Kirchner Email: <a href="mailto:samantha.kirchner@denvergov.org">samantha.kirchner@denvergov.org</a>	City Council Inquiries: Patrick Walton Email: <a href="mailto:patrick.walton@denvergov.org">patrick.walton@denvergov.org</a>

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

Please see Executive Summary.

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

**7. City Council District:** 11

**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):**

Public Facility & Improvement (PF&I) agreement

**Vendor/Contractor Name:** Montbello Organizing Committee

**Contract control number:**

Original: OEDEV-202054444

Amended: OEDEV: 202366331

**Location:** 4690 Peoria Street, Denver, CO 80239

**Is this a new contract?**  Yes  No **Is this an Amendment?**  Yes  No **If yes, how many?** 1

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

Existing: 2/1/2020 through 7 years from date of Promissory Note.

Amended: 2/1/2020 through 9 years from the completion of construction on the FreshLo project (Estimated: July 1, 2029).

**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)
\$700,000	0	\$700,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
2/1/20 (start date for pre-development costs to be reimbursed) through 7 years from date of Promissory Note.	2 years	9 years from the completion of construction on the FreshLo project.

**Scope of work:**

Community Development Block Grant (CDBG) funds were approved in 2021 to fund the acquisition of the real property known as 4690 Peoria Street (aka 12300 Albrook Drive), Denver, CO 80239 for \$600K and for \$100K in pre-development costs.

**Was this contractor selected by competitive process?** No **If not, why not?** N/A

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

**Source of funds:** CDBG/PF&I Program

**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

DEDO is requesting an amendment to a loan agreement with Montbello Organizing Committee (MOC) for \$700,000 in Community Development Block Grant (CDBG) funds that were approved in 2021 to fund the acquisition of the real property known as 4690 Peoria Street (aka 12300 Albrook Drive), Denver, CO 80239 for \$600K and for \$100K in pre-development costs. This resolution amends the loan agreement in the following ways:

- Motion to allow the transfer the property to an affiliate tax credit partnership organization in order to complete the project's Low Income Housing Tax Credit construction. (Contract language will stipulate future transfer requests to a different affiliate must be approved by the Executive Director)
- Period of performance and grant forgiveness will change from seven years of promissory note to nine years from the completion of construction on the FreshLo portion.
- Removes "cultural hub" (community theater) and "grocery store" from Exhibit A of the loan agreement.

The current contract allows for only one transfer to an affiliate, this amendment will allow for future transfers of the property located at 4690 Peoria Street, Denver, CO 80239 (aka 12300 Albrook Drive) to an affiliate with approval by the DEDO Executive Director.

Due to COVID-19 this project has experienced considerable delays, the timeline has been updated and the construction is to begin April 2023 and completion of this project is now estimated to be Q4 2023. Occupancy of tenants to the completed project is slated for Q1 2024.

The City's \$700K commitment, was funded by Denver's HUD CDBG funds under the Public Facility & Improvements program. The original loan term was for seven years and, if approved, the additional two years (for a total of nine years) will be secured by a Deed of Trust on the Peoria real property. After nine years from the from the completion of construction on the FreshLo portion, provided that the facility continues to be a community facility, the promissory note will be cancelled, and the Deed of Trust released.

The amendment will remove "cultural hub" (community theater) and "grocery store" from Exhibit A in the original loan agreement because both facilities will now be located on an adjacent parcel owned by MOC.

The facility was formerly an RTD station and will be developed into a mixed-use facility with affordable housing units, a grocery store, small retail spaces, cultural facility, meeting rooms, and MOC offices, all of which will be called the Montbello FreshLo Hub. The total project cost for this development is \$32M and is expected to be funded by Low Income Housing Tax Credits, New Market Tax Credits and other federal, state and local sources.

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