

DENVER ARTS & VENUES Epernay LLC Lease Amendment

"So that all may thrive, Arts & Venues enriches and advances Denver's quality of life and economic vitality through premier public venues, arts, cultural and entertainment opportunities."

August 28, 2019



BACKGROUND

- Location: 1080 14th Street, corner of 14th & Arapahoe
- 2011: Epernay LLC enters into lease agreement with Mickey Fouts, former master leaseholder for retail spaces at the Arts Complex
- 2016: Arts & Venues assumes Fouts lease of retail spaces at the Arts Complex, becoming Epernay's landlord
- **Current Lease term:** Expires 12/31/2021 (with tenant option for three (3), five-year renewals)



PUBLIC SAFETY ISSUES

- Tenant issues in 2016/2017 resulted in restricted use of Epernay's patio and increased security measures inside the club, such as "wanding" and bag checks
- Four public safety incidents in June/July 2019 elevated concerns of City and neighboring property owners/tenants
 - Notice of Concern issued July 10
- City determined that the current use at 1080 14th Street is incongruent with City-owned property and that issues of public safety must be addressed

– Initiated contract negotiations, July 23



LEASE AMENDMENT TERMS

- Short- and long-term solutions:
 - Additional off-duty officers (paid for by Epernay)
 placed in the Arts Complex garage
 - East patio permanently closed
 - Alcohol service to cease at 1 AM; final closing time of 1:30 AM
 - New lease termination date: December 31, 2019 (plus 5 days for move-out)



Process for Identifying New Use

- Criteria
 - Patron amenity
 - Neighborhood amenity for Resident Companies, hotels guests, CU Denver, etc.
 - Activate the street
- Host a stakeholder meeting in October to review criteria and generate ideas
- Seek to identify and activate with new use by Q2 2020