

DEDO ORDINANCE/RESOLUTION REQUEST

Date of Request: 8/10/20

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: Approves a loan agreement for \$700,000 between Denver Economic Development & Opportunity and the Montbello Organizing Committee, including \$600,000 to help finance a portion of the acquisition of a property at 4690 Peoria Street and \$100,000 for pre-development costs.

3. Requesting Agency: Denver Economic Development & Opportunity (DEDO)

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Douglas Selbee	Name: Susan Liehe 720-913-1689
Email: douglas.selbee@denvergov.org	Email: susan.liehe@denvergov.org

5. General a text description or background of the proposed request, if not included as an executive summary.
See Executive Summary

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

7. City Council District: 8

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: OEDEV-202054444

Location: 4690 Peoria Street, Denver, CO 80239

Is this a new contract? ☒ Yes ☐ No Is this an Amendment? ☐ Yes ☒ No If yes, how many? _____

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

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount (A)</i>	<i>Additional Funds (B)</i>	<i>Total Contract Amount (A+B)</i>
\$700,000	0	\$700,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
February 1, 2020 (start date for pre-development costs to be reimbursed)		7 years from date of Promissory Note

Scope of work:

Was this contractor selected by competitive process? No

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, DEN concession contracts): N/A

Who are the subcontractors to this contract? N/A

EXECUTIVE SUMMARY

Montbello Organizing Committee (MOC) requested \$700,000 funds from DEDO 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 for pre-development costs.

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. At the end of February 2020, MOC purchased the real property with Colorado Enterprise bridge loans, and \$600,000 of DEDO's performance-based loan will pay off these bridge loans. The total project cost for this development is \$32M, expected to be funded by Low Income Housing Tax Credits, New Market Tax Credits and other federal, state and local sources. Construction will commence 1st quarter of 2021 and scheduled to be completed by the Summer of 2022.

The city's 700K commitment, to be funded by Denver's HUD Community Development Block Grant (CDBG) funds under the Public Facility & Improvements program, will be a seven-year term loan and will be secured by a Deed of Trust on the Peoria real property. After seven years from the date of the promissory note, provided that the facility continues to be a community facility, the promissory note will be cancelled and the Deed of Trust released.