

These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).

Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.

A bill for an ordinance approving proposed Amendments to Lease Agreements with Dazbog Denver Bldg. LLC and Pizza Republica II, LLC in response to the COVID-19 health crisis, to be negotiated by the Director of Real Estate and provide relief for the tenant.

Authorizes the Division of Real Estate to amend commercial leases with Dazbog Denver Bldg, LLC and Pizza Republica II in City-owned buildings located at the Webb Building and the Colorado Convention Center to provide additional rent relief through 12-31-21 in response to the COVID-19 pandemic. The last regularly scheduled Council meeting within the 30-day review period is on 1-24-22. The Committee approved filing this item at its meeting on 12-21-21.

Affected Council District(s) or citywide?

Executive Summary with Rationale and Impact:

Detailed description of the item and why we are doing it. This can be a separate attachment.

The Department of Finance is seeking City Council approval of a fifth ordinance that will authorize the Division of Real Estate to negotiate and amend commercial leases in City-owned buildings to provide rent deferral through December 31, 2021 in light of the COVID-19 pandemic.

- This is a follow-on to Ordinances Number 20-0388, 20-0665, 20-1386, and 21-0219 passed by Council on May 6, 2020, August 3, 2020, December 21, 2020, and April 1, 2021 which approved a total of 15 months of rent deferral. This round of deferrals will defer rent through December 31, 2021.

- o Until there is greater certainty as to timing of return to normal business operations, it is impossible to know at this time whether the Department of Finance will seek approval for any additional rent deferral due to COVID-19

- Given continued effects of the pandemic and resulting ongoing business uncertainty, several commercial tenants remain unable to conduct normal business operations

Because of COVID-19, City buildings remain closed and/or nearly vacant due to ongoing health concerns

- o 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

- o The Denver Center for the Performing Arts has cancelled its entire 2020-2021 performance season, and the Colorado Convention Center has very limited convention activity at this time

- This ordinance applies to 2 tenants with non-nominal rent amounts for space within City

owned buildings whose leases are administered by Real Estate, Dazbog Denver Bldg, LLC (Webb Building) and Pizza Republica II (Convention Center).

- As with prior rent deferrals, the CAO and Real Estate determined that the best way to continue to provide rent relief during this time is to offer an additional rent payment deferral in exchange for extending each lease term for the time needed to pay the deferred rent.
 - o 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
- Employee reporting and credits for health insurance paid are discontinued with this round, as employees have moved on at this point.

Address/Location (if applicable):

Legal Description (if applicable):

Denver Revised Municipal Code (D.R.M.C.) Citation (if applicable):

Draft Bill Attached?