



Legislation Details (With Text)

File #: 23-0046 **Version:** 1

Type: Resolution **Status:** Adopted

File created: 1/9/2023 **In control:** Business, Arts, Workforce, Climate & Aviation Services Committee

On agenda: 1/30/2023 **Final action:** 1/30/2023

Title: A resolution approving a proposed Amendatory Loan Agreement between the City and County of Denver and Montbello Organizing Committee, to extend the Term of the Loan, to revise Exhibit A, and to allow for the transfer of the property securing the loan to an affiliate. Amends a loan agreement with the Montbello Organizing Committee by adding two years for a new end date of nine years from the completion of construction on the FreshLo facility, to remove “cultural hub” and “grocery store” from Exhibit A and to allow for the future transfer of the property located at 4690 Peoria Street in Council District 8 to an affiliate. No change in loan amount (OEDEV-202054444/202366331). The last regularly scheduled Council meeting within the 30-day review period is on 2-21-2023. The Committee approved filing this item at its meeting on 1-18-2023.

Sponsors:

Indexes: Anne Wallace

Code sections:

Attachments: 1. RR23-0046_DEDO Resolution Request - FreshLo-MOC Amendmentv2, 2. 23-0046 Filed Resolution_Montbello Organizing Committee_202366331-01_01232023_BLM_Final, 3. 23-0046 Filed Amendment and Modification Agreement_Montbello Organizing Committee_202366331-01_BLM_01252023, 4. 23-0046 Filed Resolution_Montbello Organizing Committee, 5. 23-0046-Signed

Date	Ver.	Action By	Action	Result
1/30/2023	1	Council President	signed	
1/30/2023	1	City Council	adopted	Pass
1/18/2023	1	Business, Arts, Workforce, Climate & Aviation Services Committee	approved by consent	

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 1-17-2023

Requesting Agency: DEDO
Division:

Subject Matter Expert Name: Doug Selbee; Samantha Kirchner
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Phone Number:

Item Title & Description:

(Do not delete the following instructions)
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 resolution approving a proposed Amendatory Loan Agreement between the City and County of Denver and Montbello Organizing Committee, to extend the Term of the Loan, to revise Exhibit A, and to allow for the transfer of the property securing the loan to an affiliate.

Amends a loan agreement with the Montbello Organizing Committee by adding two years for a new end date of nine years from the completion of construction on the FreshLo facility, to remove "cultural hub" and "grocery store" from Exhibit A and to allow for the future transfer of the property located at 4690 Peoria Street in Council District 8 to an affiliate. No change in loan amount (OEDEV-202054444/ 202366331). The last regularly scheduled Council meeting within the 30-day review period is on 2-21-2023. The Committee approved filing this item at its meeting on 1-18-2023.

Affected Council District(s) or citywide? 11

Contract Control Number: OEDEV-202054444/ 202366331)

Vendor/Contractor Name (including any "DBA"): Montbello Organizing Committee

Type and Scope of services to be performed:

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.

See executive summary

Location (if applicable): 4690 Peoria Street (aka 12300 Albrook Drive)

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts): N/A

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment?

Amendment

Was this contractor selected by competitive process or sole source?

N/A

For New contracts

Term of initial contract:

Options for Renewal:

How many renewals (i.e. up to 2 renewals)?

Term of any renewals (i.e. 1 year each):

Cost of initial contract term:

Cost of any renewals:

Total contract value council is approving if all renewals exercised:

For Amendments/Renewals Extensions:

Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?

Length and terms

If length changing

What was the length of the term of the original contract?

2/1/20 (start date for pre-development costs to be reimbursed) through 7 years from date of Promissory Note.

What is the length of the extension/renewal?

2 years

What is the revised total term of the contract?

9 years from the completion of construction on the FreshLo project.

If cost changing

What was the original value of the entire contract prior to this proposed change?

What is the value of the proposed change?

What is the new/revised total value including change?

If terms changing

Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.). See executive summary

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.