



Legislation Text

File #: 19-0489, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 5-13-19

Requesting Agency: Finance
Division:

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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 Amended and Restated Denver Arena Agreement Including Basketball and Hockey Commitments Agreement between the City and County of Denver and Kroenke Arena Company, LLC, The Denver Nuggets Limited Partnership and Colorado Avalanche, LLC.

Approves an agreement with Kroenke Arena Company, LLC, The Denver Nuggets Limited Partnership, and the Colorado Avalanche, LLC, through 06-30-40 to extend the teams' obligations to remain in the City and maintain certain use rights at the Pepsi Center beyond the current term expiration date, in exchange for an early termination of the current Ground Lease and conveyance of the land to Kroenke Arena, and a release from certain financial covenants in accordance with the terms and conditions of this Agreement (FINAN-201950342). The last regularly scheduled Council meeting within the 30-day review period is on 6-24-19. The Committee approved filing this item at its meeting on 5-21-19.

Affected Council District(s) or citywide? Council District 9

Contract Control Number: FINAN-201950342

Vendor/Contractor Name (including any "DBA"): KROENKE ARENA COMPANY, LLC, THE DENVER NUGGETS LIMITED PARTNERSHIP and COLORADO AVALANCHE, LLC.

Type and Scope of services to be performed:

The City, Kroenke Arena, Nuggets LP and Avalanche LLC are parties to that certain Denver Arena Agreement dated November 12, 1997. Kroenke Arena leases the Land from the City pursuant to that certain Ground Lease recorded on June 13, 2000. The Ground Lease and Arena Agreement expire on June 30, 2023 ("Current Term Expiration Date"). The City desires to extend the Teams' obligations to remain in the City and maintain certain use rights at the Pepsi Center beyond the Current Term Expiration Date. Kroenke Arena, Nuggets LP and Avalanche LLC are willing to extend the Current Term Expiration Date through 2040 in exchange for an early termination of the Ground Lease and conveyance of the Land to Kroenke Arena, and a release from certain financial covenants in accordance with the terms and conditions of this Agreement. Previously negotiated in a Contribution Agreement, the early termination of the Ground Lease requires the City to transfer the land to Kroenke Arena.

Location (if applicable):

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

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

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

Was this contractor selected by competitive process or sole source?

For New contracts

Term of initial contract: Through 6/30/2040

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)?

If length changing

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

What is the length of the extension/renewal?

What is the revised total term of the contract?

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.)