



Legislation Text

File #: 23-1899, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 12-4-2023

Requesting Agency: DOF
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 Purchase and Sale Agreement between the City and County of Denver and Kayan, LLC for the City to acquire real property located at 101 West Colfax Avenue, in Council District 10.

Approves a purchase and sale agreement with Kayan, LLC for \$88,500,000 to purchase 101 West Colfax Avenue, in Council District 10. FINAN-202371561. The last regularly scheduled Council meeting within the 30-day review period is on 1-22-2024. The Committee approved filing this item at its meeting on 12-5-2023.

Affected Council District(s) or citywide?

Council District 10

Contract Control Number:

FINAN-202371561

Vendor/Contractor Name (including any "DBA"):

Kayan, LLC

Type and Scope of services to be performed:

The City has a seller executed Purchase and Sale Agreement with Kayan, LLC to purchase the Denver Post Building located at 101 West Colfax Avenue ("101 Building") for \$88,500,000. The property is approximately 303,733 rentable square feet, with a 635 space parking garage situated on ~1.4 acres.

In 2020 the Division of Real Estate with DOTI and its consultant completed a Courts Master Plan. Space requirements were reviewed through 2040 for County, District, Probate and Juvenile Courts. The projections use the framework established in recent weighted caseload studies commissioned by the State of Colorado for judgeships and court staffing as well as changes to cases being sent down to County Courts.

The plan determined that there is a current deficit of 50,450 square feet. By 2030, the combined courts will require approximately 171,050 square feet and another 58,500 square feet by 2040, for total required additional space of 280,000 square feet.

Due to its proximity to the City and County Building, the Lindsey-Flanigan Courthouse, and other municipal buildings, the 101 Building represents a uniquely strategic opportunity to meet the future courts' requirements within proximity to existing judicial facilities. IT infrastructure is currently in place at the 101 Building that provides access to the City's IT network. The 101 Building also has building security systems, parking, ground floor auditorium and quality of build out.

Currently, the City attempts to provide undedicated space in the City and County Building to support judicial advocate services, such as Colorado Legal Services and multiple rental assistance programs. Comprehensive space programming would allow for dedicated space for nonprofit providers delivering these community services.

City employees in the 101 Building will still move back to the Webb Building upon completion of the Webb Building Capacity Project.

The purchase will be funded by a Certificate of Participation (COP) which will require City Council approval. Importantly, annual revenue from the current Denver Post master lease will cover the annual COP payments.

The Denver Post has a master lease for the entire building which generates more than \$7.25 million annually through 2029 (increases in October 2026). The parking garage also generates annual revenue.

It is anticipated that the COP agreement will be at City Council in January 2024.

Location (if applicable):

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

N/A

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

N/A

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

new

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:

\$88,500,000

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.)