



Legislation Details (With Text)

File #: 20-0388 **Version:** 1

Type: Bill **Status:** Passed

File created: 4/21/2020 **In control:** City Council

On agenda: 5/4/2020 **Final action:** 5/4/2020

Title: A bill for an ordinance approving proposed Amendments to approximately ten Leases, Licenses and Concession Agreements in response to the COVID-19 health crisis, to be negotiated by the Director of Real Estate to provide relief for the tenants.
Authorizes the Division of Real Estate to negotiate and amend commercial leases in City-owned buildings to provide three months of rent relief in response to the COVID-19 pandemic. The last regularly scheduled Council meeting within the 30-day review period is on 5-18-20. Councilmember Black approved filing this item on 4-23-20.

Sponsors:

Indexes: Zach Rothmier

Code sections:

Attachments: 1. BR20 0388 DOF Rent Relief COVID, 2. 20-0388 Filed Bill_ten Leases, Licenses and Concession Agreements, 3. Exhibit A to 20-0388 Ten Leases, Licenses and Concession Agreements, 4. 20-0388 Filed Bill_ten Leases, Licenses and Concession Agreements, 5. 20-0388 - signed, 6. 20-0388 A bill for an ordinance approving proposed Amendments to approximately ten Leases, Licenses and Concession Agreements in response to the COVID-19 health crisis

Date	Ver.	Action By	Action	Result
5/6/2020	1	Mayor	signed	
5/5/2020	1	Council President	signed	
5/4/2020	1	City Council	placed upon final consideration and do pass	Pass
4/27/2020	1	City Council	ordered published	

Other/Miscellaneous Request Template (Appointments; ROW; Code Changes; Zoning Action, etc.)

Date Submitted: 4-21-20

Requesting Agency: Finance
Division:

Subject Matter Expert Name:

Name:	Lisa Lumley
Email:	lisa.lumley@denvergov.org

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 filing, 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 approximately ten Leases, Licenses and Concession Agreements in response to the COVID-19 health crisis, to be negotiated by the Director of Real Estate to provide relief for the tenants.

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Affected Council District(s) or citywide? Citywide

Executive Summary with Rationale and Impact:

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

EXECUTIVE SUMMARY

The Department of Finance is seeking City Council approval of an ordinance that will authorize the Division of Real Estate to negotiate and amend commercial leases in City-owned buildings to provide 3 months of rent relief in light of the COVID-19 pandemic.

- Because of COVID-19, City buildings are closed and/or nearly vacant due to the Governor's stay-at-home order
- 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
- On April 13, 2020 City Council issued a proclamation urging and supporting a moratorium on rent because of the COVID-19 crisis
- The Division of Real Estate administers approximately 10 leases with non-nominal rent amounts for space within City owned buildings that would be subject to the terms of this policy as outlined below
- The CAO and Real Estate determined that the best way to provide rent relief during this time, while keeping total base rent the same over the term of the lease, is to offer 3 months of rent payment deferral in exchange for extending each lease term by 3 months
 - Tenants who have already paid rent for April, May and/or June will have the option to defer rent coming due in later months in 2020
 - 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
 - If all tenants take advantage of the 3 months of rent deferral, approximately

\$137,000 in rent would be deferred

- Tenants to whom this deferral will be offered:
 1. 5280 Enterprises, LLC (Subway-Justice Center garage)
 2. 5280 Enterprises, LLC (Subway-Webb)
 3. Coffee Etcetera
 4. Dazbog Denver Bldg, LLC
 5. Denver Center for the Performing Arts (Garner Galleria Theatre)
 6. Dion Corp (Stockyard Inn)
 7. HJB Convenience (Russell's)
 8. National Western Center Authority
 9. Pizza Republica
 10. Wellshire, LLC

- AVD, Parks and other City agencies will determine how to handle their departments' leases (if any) that are not managed by the Division of Real Estate

Address/Location (if applicable):

Legal Description (if applicable):

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

Draft Bill Attached?