



Legislation Text

File #: 20-0913, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 8-31-20

Requesting Agency: Denver Economic Development and Opportunity
Division:

Subject Matter Expert Name:

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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 Seventh Amendment and Modification Agreement between the City and County of Denver and NEWSED Community Development Corporation, Inc. to modify the repayment terms of a loan.

Amends a loan agreement with NEWSED Community Development Corporation, Inc. to extend its current loan deferment through 12-31-20 on its commercial condo property at 901 West 10th Avenue in Council District 3 (GE2Y004-07). The last regularly scheduled Council meeting within the 30-day review period is on 10-12-20. The Committee approved filing this item at its meeting on 9-9-20.

Affected Council District(s) or citywide? Council District 3

Contract Control Number: GE2Y004-07

Vendor/Contractor Name (including any "DBA"): NEWSED Community Development Corporation, Inc.

Type and Scope of services to be performed:

This resolution and loan amendment pertains to the commercial portion of a NEWSED-owned, mixed-use property at 901 West 10th Avenue known as the Villa De Barela. The ground floor is retail/commercial space and the upper floors are affordable housing.

In 1993, DEDO originally financed a \$1,000,000 loan to develop the commercial portion of the property. The three-acre site was successfully developed into 10,000 SF of commercial/retail space and 38 units of affordable housing. The initial terms of the city's commercial loan were 10 years, 3% interest, and a monthly P&I of \$4,216. Subsequent amendments to the commercial loan have deferred payments on a short-term basis, adjusted the P&I payments and the interest rate, and exchanged deeds of trust and encumbrances. DEDO equity in this commercial portion was estimated to be \$1,608,000 in late 2019, which is more than enough to cover the outstanding loan balance of \$863,562.

A 2019 deferral granted on this loan was set to conclude in July 2020, although with the onset of the COVID-19 pandemic and resulting economic devastation, DEDO offered a loan deferral option this spring to its borrowers who could meet program requirements. At present, 16 loans are in negotiation or have been granted deferrals of 6-9 months. The total monthly payments that DEDO has deferred is approximately \$30,000/month, with the average monthly payment being deferred is approximately \$2,500.

If approved, this deferral for NEWSED would extend through December 31, 2020.

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:

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.)