



## Council Communication

File Number: Ord 2511

**Agenda Date:** 6/5/2023

**Version:** 1

**Status:** Agenda Ready

**In Control:** City Council

**File Type:** Ordinance

FIRST READING OF AN ORDINANCE AMENDING THE 2023 BUDGET OF THE CITY OF COMMERCE CITY, COLORADO, BY THE RECOGNITION OF A PORTION OF THE CITY'S SHARING AMOUNT RECEIVED FROM THE METROPOLITAN FOOTBALL STADIUM DISTRICT IN THE AMOUNT OF \$595,461.97 TO BE USED FOR YOUTH ACTIVITIES AND AUTHORIZING THE EXPENDITURE THEREOF

### **Summary and Background Information:**

The Metropolitan Football Stadium District (MFSD) Act and Article 33 of the Lease and Management Agreement between the MFSD and PDB Sports LTD, Bronco's ownership, entitles the MFSD to a one time "Sharing Amount" in connection with the sale of the franchise. The "Sharing Amount" of the \$4.65 billion sale of the Broncos franchise as determined by the MFSD board, is \$41,037,951, which has been paid to the MFSD. The MFSD Board distributed these proceeds proportionately to the counties, cities, and towns in which the tax was collected. Commerce City is one of many local governments, within the MFSD in which a one tenth of one percent sales tax was charged from implementation in January of 2001 and ending December 31, 2011. After consulting with the Colorado Department of Revenue, it was determined that Commerce City's portion of the "Sharing Amount of \$41,037,951 is \$613,461.97. Provisions in the Act and the subsequent Lease and Management Agreement require the funds be used for "youth activity programs."

In September 2023, Commerce City will provide a summary of how funds have been distributed benefiting Youth Activities Programs in our community to the Metro Football Stadium District. The purpose of tonight's presentation is to provide a list of youth activity programs recommended for funding following the gathering of input requested by City Council during the February 24th study session. City staff attended Commerce City Youth Commission meetings to solicit feedback on how these funds should be used to benefit youth activities. The Youth Commission requested funding to plan and implement an annual conference for high school students on present day issues affecting students. City staff has recommended funding for the years 2023, 2024 and 2025 for this annual conference. Additionally, City staff conducted public outreach (grades K-12 and parents) with over 300 responses gathered. City staff considered all feedback when developing the final recommendations for use of the MFSD funding. Final recommendations include:

- Two capital improvement projects (an outdoor ninja course and an interactive light wall)
- Parks, Recreation & Golf managed efforts (horse trekking and services learning

- programs and First Tee/Junior Golf equipment)
- Funding allocations to recognized youth sports associations
- Funding allocations to the two school districts that serve Commerce City students for athletic, music, and theater programs
- Youth Commission annual one day conference (for three years - 2023, 2024, and 2025)
- Youth Programming Grants for organizations providing music, art, and stem programming for youth in Commerce City

These final recommendations provide for youth activities recommended for youth and teens of all levels of ability to participate. City Staff considered a recommendation to use the MFSD funding to establish an endowment fund for youth activities, however, staff is not recommending this as a use of this funding. The purpose of an endowment is to provide long-term support, a little at a time over many years. City staff believes this funding should be used to make a larger and more immediate impact for youth within our community today. Also, it would likely require a non-profit organization to establish an endowment and specific rules and regulations would have to be known and followed to maintain and administer the endowment, and there are many ways for the City to use this funding in more direct manners to benefit Commerce City youth. As a reminder, the Quality Community Foundation routinely raises funds for Parks, Recreation & Golf program scholarships, which provides a long-term funding partnership for such youth activities.

For comparison, City staff gathered the information listed below regarding how some surrounding jurisdictions are using their MFSD funding sharing amounts:

- The City of Brighton has allocated funds to - a new youth playground at the Recreation Center for daycare and youth programs (\$150,000), the 27J School District (\$150,000), grants for community organizations that specialize in youth programs (\$100,000 ), and the City's Youth Services group to assist with program expansion (\$50,000).
- Adams County has allocated funds to - the Hyland Hills, Strasburg and Bennett special districts providing park and recreation programs and services, and to a non-profit group, "A Precious Child" for distribution of sports equipment for youth/teens.

Please see additional attachments included in the agenda item packet for more information:

- Metro Football Stadium District Article 33 Sharing Amount for Youth Activities - June 5th presentation
- Ordinance 2511
- Metro Football Stadium District Funding - Intended Uses of Funding Summary
- Metro Football Stadium District Article 33 Sharing Amount - February 27th presentation
- Metro Stadium District Article 33 sharing Amount Letter and Resolution

City staff will be available to answer questions you may have.

**Staff Responsible (Department Head):** Carolyn Keith, Parks, Recreation & Golf Director

**Staff Member Presenting:** Carolyn Keith, Parks, Recreation & Golf Director

**Financial Impact:** Total of \$613,461.97 spread over 3 years (\$595,461.97 in 2023, \$9,000.00 in 2024, and \$9,000.00 in 2025)

**Funding Source:**

**Staff Recommendation:** Approve Ordinance 2511 (which covers the \$595,461.97 recommended for 2023, the remaining amounts will be included in future years)

**Suggested Motion:** Motion to introduce by council as seated and approve Ordinance 2511