

**PARKS, RECREATION & CULTURAL SERVICES MEMORANDUM
#6-2023**

DATE: Feb. 27, 2023
TO: Honorable Mayor Meredith Leighty and City Council Members
THROUGH: Heather Geyer, City Manager *hmg*
FROM: Amanda J. Peterson, Director of Parks, Recreation & Culture *ajp*
SUBJECT: Stadium Tax Funding for Youth Activity Programs

PURPOSE

To provide Council with information and seek consensus regarding the expenditure of the funding received through the Metropolitan Football Stadium District (MFSD) from the recent sale of the Denver Broncos Football Club (Broncos).

BACKGROUND

The MFSD collected a one-tenth of 1% sales tax in each of the municipalities within the seven-county metro Denver district between the years of 2001 and 2011. This sales tax funded approximately 75% of the cost of the construction of Empower Field at Mile High. The terms in the MSFD Act identified a “sharing amount” that would be distributed to each of the jurisdictions within the district upon the sale of the franchise.

On Aug. 5, 2022, the MFSD approved a resolution to distribute a portion of the net proceeds resulting from the sale of the Broncos to the municipalities within the district, based on their proportionate share of sales and use tax paid under the Act. The total “sharing amount” was calculated to be \$41,037,951; Northglenn’s portion was just under 1% of that amount. A check for \$394,396.46 was received by the City in September 2022. Per the accompanying letter, these funds are required to be used for “Youth Activity Programs.”

On Feb. 9, 2023, the Parks & Recreation Advisory Board (PRAB) discussed this topic and developed recommendations. The attached presentation includes options as to how this funding could be expended, as well as recommendations from the PRAB.

The PRAB recommends expending the funding in four different program areas. These include:

1. Provide funding in the amount of \$30,000 to the Northglenn Arts & Humanities Foundation to distribute in the form of scholarships and/or added value to arts programming for youth
2. Allocate funding for recreation and special events in the amount of \$30,000 to enhance existing events and/or develop new events for children and teens
3. Allocate funding in the amount of \$200,000 for an aquatic adventure course; leveraging funding as a grant match to secure additional funds
4. Allocate remaining funding in the amount of \$134,398.46 to the construction of Odell Barry Park, a project that is currently underfunded

BUDGET/TIME IMPLICATIONS

Funding in the amount of \$394,396.46 has been received; these funds are currently held in reserve. Once a determination is made as to how the funds will be expended, they will be allocated through the budget process.

An initial report to the MSFD is anticipated to be due in September 2023, though no date has been established by which funds must be fully expended.

STAFF RECOMMENDATION

Staff is in support of the recommendations of the PRAB, as presented.

STAFF REFERENCE

If Council members have any questions, please contact Amanda Peterson, Director of Parks, Recreation & Culture, at apeterson@northglenn.org or 303.450.8950.

ATTACHMENTS

1. Presentation
2. Metropolitan Football Stadium District Letter

STADIUM TAX FUNDING

Amanda J. Peterson

Director of Parks, Recreation & Culture

apeterson@northglenn.org

303.450.8950

Council Meeting

Feb. 27, 2023



CITY OF
Northglenn

PURPOSE

To provide City Council with options and seek consensus regarding the expenditure of the stadium tax funding.



METROPOLITAN FOOTBALL STADIUM DISTRICT TAX

- Voter approved
- 0.1% Sales Tax
- Funded 75% of the Broncos stadium construction
- Collected 2001-2011



“SHARING” AMOUNT

- One-time funding from the sale of the Broncos
- Municipalities and counties received distributions proportional to the amount paid in
- Northglenn’s share = \$394,396.46
- Received September 2022



FUNDING REQUIREMENTS

- “Youth Activity Programs”
- Initial reporting due September 2023
- No defined date by which funding must be expended



OPTIONS

OPTION 1:

OFFSET FEES

- Reduce or eliminate fees for youth activities
- Provide scholarships for youth activities

OPTION 2:

NEW PROGRAMS

- Development of new youth activities

OPTION 3:

CAPITAL IMPROVEMENTS

- Existing underfunded CIP
- New CIP



CONSIDERATIONS

- How many people served
- Sustainability/longevity
- Staff resources
- Budget tracking



PARKS & RECREATION ADVISORY BOARD (PRAB)

- Feb. 9 meeting
- Discussion regarding options
- Recommendations within each category



OPTION 1:

OFFSET FEES

- Reduce or eliminate fees for youth activities
- Provide scholarships for youth activities

PRAB RECOMMENDATION

Provide funding of **\$30,000** to the Northglenn Arts & Humanities Foundation to distribute in the form of **scholarships** and **added value** to arts programming for youth.



OPTION 2:

NEW PROGRAMS

- Development of new youth activities

PRAB RECOMMENDATION

Allocate funding for recreation and special events in the amount of \$30,000 to enhance existing events or develop new events for children and teens.



OPTION 3:

CAPITAL IMPROVEMENTS

- Existing underfunded CIP
- New CIP

PRAB RECOMMENDATION

Allocate funding of **\$200,000** for an aquatic adventure course; leverage funding as grant match to secure additional funds.

Allocate remaining funding of **\$134,396.46** to the construction of Odell Barry Park, a project that is currently underfunded.







DIRECTION & CONSENSUS

- **Questions**
- **Feedback**
- **Ideas**
- **Next steps**



QUESTIONS?

Amanda J. Peterson

Director of Parks, Recreation & Culture

303.450.8950

apeterson@northglenn.org

Council Meeting

Feb. 27, 2023



CITY OF
Northglenn



1701 Bryant Street, Suite 500 | Denver, CO 80204

303.244.1002 | fax: 303.244.1003

September 19, 2022

RECEIVED

SEP 21 2022

**City of Northglenn
Finance Dept.**

City of Northglenn
11701 Community Center Dr.
Northglenn, CO 80233
dscott@northglenn.org
Attention: David Scott

The Metropolitan Football Stadium District (MFSD) is contacting you regarding the recent sale of the Denver Broncos Football Club.

As you may be aware the franchise has recently transferred to new ownership which triggers components of both the original legislation which created the MFSD and the Lease and Management Agreement which ties the franchise to the taxpayer owned facility, Empower Field at Mile High and subsequently to the counties, cities, and towns within our seven-county metro Denver boundary.

The Metropolitan Football Stadium District Act (the "Act"), and Article 33 of the Lease and Management Agreement between the MFSD and PDB Sports LTD (PDB), 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 duly paid to the MFSD. (Exhibit A attached). The MFSD Board has elected to distribute these proceeds proportionately to the counties, cities, and towns in which the tax was collected. Your jurisdiction is one of many which make up the MFSD in which the tax was charged at one tenth of one percent sales tax from implementation in January of 2001 and ending 2011. After consulting with the Colorado Department of Revenue it was determined your proportionate percentage of Sales Tax revenue collected was 0.961053%. Therefore, your portion of the "Sharing Amount" of \$41,037,951 is \$394,396.46.

Provisions in the Act and the subsequent Lease and Management Agreement require the funds to be used for "YOUTH ACTIVITIY PROGRAMS." It is our intent that approximately one year from the allocation of funds, the MFSD will request an accounting of how the funds have benefitted Youth Activities Programs in your community. We have received numerous media inquiries

SEP 21 2022

City of Northglenn
Finance Dept.

METROPOLITAN FOOTBALL STADIUM DISTRICT
RESOLUTION 22- 05

A. PDB Sports, LTD. ("PDB") and Stadium Management Company, LLC ("Stadium Company") intend to sell their respective partnership interests and limited liability company interests to Belmont Sports, LLC and S. Robson Walton (the "Sale").

B. Under the Metropolitan Football Stadium District Act (the "Act"), and Article 33 of the Lease and Management Agreement dated as of September 3, 1998 between the Metropolitan Football Stadium District (the "District") and PDB, as amended and partially assigned to Stadium Company (the "Lease"), the District is entitled to a "Sharing Amount" in connection with the Sale.

C. Under the Act and Article 33 of the Lease, the Sharing Amount funds are to be used for "youth activity programs".

Therefore, a quorum being present, the following resolution was adopted on a vote of 9 in favor, 0 opposed, with 0 abstentions, on the 5th day of August, 2022.

RESOLVED, the Metropolitan Football Stadium District upon the motion of Jim Harrington, and the second of Rick Sapkin approves:

(a) the Sharing Amount of \$41,037,951 under the Act and Article 33 of the Lease and as set forth in Exhibit A attached hereto and incorporated by reference; and

(b) the distribution of the Sharing Amount funds to the municipalities and counties within the District, based upon their proportionate share of sales and use tax paid under the Act; and

the District hereby authorizes the Chairman, any officers, District staff, or their representatives to disburse the Sharing Amount funds pursuant to, and, and to take such further action as may be necessary to effectuate the purpose of, this resolution.

AUTHENTICATED:



Raymond T. Baker, Chairman



Donald Johnson, Secretary-Treasurer