



Denver City Council

Public Amenities Committee
Meeting Summary

Date: August 15, 2006 Time: 11:00 a.m. Location: Council Conference Room

Members Present: **Lehmann, Montero**
Members Absent: **Johnson, Robb, Rodriquez**
Other Council Present: **Garcia**

1. Commission on Cultural Affairs – Mayoral Appointments

Committee Action

The Committee approved the following mayoral appointments for the terms indicated:

Arturo Gomez:	8-31-07	Giovani Greco:	8-31-07
Howard Torgove:	8-31-08	Ken Santistevan:	8-31-09

Summary of Discussion

Chantal Unfug, Mayor's Office, noted that the reappointment of four members was approved by consent of the Committee on August 11 and presented at Mayor/Council this morning. Five additional seats will be vacant in the next few months, and she is working to recruit younger members. She introduced the two new appointees who were able to attend the meeting.

Mr. Santistevan, Director of Public Affairs for the Denver Center for the Performing Arts, said he had been an observer of the Denver Commission for eight years. He is looking forward to working with the Commission and the Office of Cultural Affairs and connecting to Denver's diverse arts community.

Mr. Greco, President of The Wildlife Experience, said he was thrilled to be appointed to the Commission. He grew up in the arts and holds a Bachelor of Fine Arts in acting.

Ms. Unfug said Mr. Torgove was one of President Clinton's appointees to the National Council on the Arts. Mr. Gomez could not be here today because the time conflicts with his program on KUVU radio. He was a founder of the Latin Jazz Programming List.

Erin Trapp, Director of the Office of Cultural Affairs, said the Commission oversees the work of her office and is especially active in the Public Art Program. She depends on the Commission, which represents a broad range of ages, ethnicities, gender, and disciplines, for advice and guidance.

2. Colorado State University Extension Update

Jude O'Connor, Director of Natural Resources for the Parks & Recreation Department, introduced Barbara Martin Worley, Director of the CSU Extension Service. The Extension and the Parks

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Department have a strong working relationship. When Parks moved into the Webb Building, the Extension came with it, but it was a difficult place for them. When 311 wanted their first floor space, the Extension moved to the refurbished Old State Home in Harvard Gulch Park. The presentation contained the following information:

- The Extension Service was established in the U.S. Department of Agriculture in 1914 and based at land grant colleges across the county.
- The CSU Extension was established by 1942, and it has been affiliated with Denver for years.
- The primary mission is to give provide the community with a research base of information that will make a difference in peoples' lives, with an emphasis on prevention as opposed to intervention.
- Most of the staff is CSU field faculty; 3 are Career Service employees.
- Denver Parks funds 28% of the CSU Extension's budget, which is used to leverage federal and state grant funds.
- Through the years, it has been housed in the basement of the City & County Building, at Washington Park, Ash Grove Park, Clayton College, and the Webb Building. Even in the short time they have been at Harvard Gulch, business has increased noticeably.
- Horticulture program is the most popular. People bring in their ailing plants and bugs for advice on how to revive or eliminate them.
- Master Gardener program is about 30 years old, now with 40 trained volunteer Master Gardeners who use the "learn by doing" model. The Extension has a garden show on TV Channel 9.
- 4-H is a popular program only available through the Extension Service. At Harvard Gulch now, they do gardening, a dog club, and a junior chef club.
- The food stamp nutrition education program is 100% federally funded.
- The Extension provides food safety certification classes through the Food Bank of the Rockies.
- The Extension is very happy to be at Harvard Gulch in the small brown building at S. Logan and E. Iliff. They are available at 720-913-5270 and on the Internet at DenverGov.org (search "CSU Extension") or colostate.edu.
- A name change is forthcoming.

3. Facilities Development Admission Tax – Seat Tax

Councilwoman Lehmann said this discussion was scheduled because of interest expressed when Council was asked to approve expenditure of surplus seat tax revenue for improvements to the north concession stand at Red Rocks Amphitheatre. At the table to explain the fund were:

- Bob Gibson, Director, Financial Management at the Revenue Department, which collects and safeguards the revenue;
- Marilyn Miller, Director of Capital Budgets, calculates revenue projections, tracks the revenue and allocates it to projects, with the assistance of Stephanie Iwanski; and
- Jack Finlaw, Director of Theatres & Arenas, who gets to spend the revenue on the Denver Center for the Performing Arts, the Denver Coliseum, the Colorado Convention Center, and Red Rock Amphitheatre.

The major points in the discussion included:

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- The Facilities Development Admission Tax was established in 1975 (Denver Revised Municipal Code Chapter 53, Article VII) for the purpose of acquiring, constructing, installing, maintaining, repairing, operating or improving the city's facilities.
- Currently, FDA is a 10% tax on each ticket to any event held at one of the City's facilities.
- While McNichols Arena and Mile High Stadium were operating, FDA revenue reached its peak of about \$14 million annually; it is currently about \$7 million.
- Treasury collects the revenue monthly from the constituent users of the covered facilities.
- Currently, FDA funds are first pledged to the annual debt service on the 2003A excise tax refunding bonds issued for construction of the Buell Theatre (about \$3 M).
- If the seat tax does not cover this payment, head tax revenue is used.
- Any surplus FDA revenue is transferred to the Entertainment & Cultural Capital Projects Fund to make annual lease payments on the 2003B certificates of participation (COP) for the Quigg Newton Auditorium Theatre renovation (about \$6 M).
- General Fund revenue would be used if seat tax revenue is insufficient.
- After those payments, any surplus seat tax revenue must be appropriated for capital projects.
- In 2009, the Broncos will stop paying the City \$2.7M per year that was negotiated when the club left Mile High Stadium.
- 2003A funds will be retired in 2015; that \$3 M will then be applied to the 2003B COP payment of between \$5 and \$6 M annually 2016-2023.
- City fiscal policy requires a \$1 million fund balance; there is no additional capacity until 2024.

Theatres & Arenas manages over \$1 billion in assets; it receives between \$2.5 and \$3 M annually in surplus seat tax funds. The 6-year plan for capital and maintenance projects indicates a need for twice that amount for proper maintenance alone. This year, it identified \$7 M worth of needs. Maintenance needs of between \$2 and \$3 M are deferred annually. Resources are allocated as fairly as possible among the venues with emphasis on the most pressing needs, such as ADA compliance and structural issues. The Coliseum and Boettcher are aging facilities; the Buell is now 17 years old. These venues must compete with private and other public venues across the metro area.

Ms. Miller said the Mayor's Infrastructure Task Force was convened to study the annual gaps in maintenance of all City facilities, and that report will be published around the end of 2006. She said there has not been any discussion of raising the seat tax.

Councilman Garcia said the loss of the seat tax revenue from the two formerly-publicly owned venues is telling. With the maintenance challenges we face for both Theatres & Arenas and Parks & Recreation, we are headed for a train wreck if we do not have a plan in place. He said if we as a City want these venues, and he thinks we do, we need to look at other revenue sources or increase the seat tax. We must also be very cautious about adding any more venues, both from the standpoint of competing with ourselves and adding maintenance responsibilities.

Mr. Finlaw said the seat tax is extremely unpopular with the constituents of the venues. He repeated that Theatres & Arenas has not discussed an increase in the seat tax.

Councilwoman Lehmann said we need a comprehensive approach, and the Infrastructure Task Force should look at the seat tax and the property tax. Compared to several neighboring cities, Denver has a very low property tax rate. She looks forward to the Task Force Report.