

**Town of Lyons, Colorado
Board of Trustees
BOT Agenda Cover Sheet
Agenda Item No: VII. 2.
Meeting Date: 10/21/24**

TO: Mayor Rogin and Members of the Board of Trustees

FROM: Kim Mitchell, Director of Community Relations & Communications

DATE: October 15, 2024

ITEM: Ordinance 1175 - An Ordinance of the Town of Lyons, Colorado, Approving a Lease of Town-Owned Property to Telluride Bluegrass Festival, PBC For The 2025 And 2026 Rocky Grass Festivals

ORDINANCE
 MOTION / RESOLUTION
 INFORMATION

- I. **REQUEST OR ISSUE:** Approval of an ordinance to approve a lease of town-owned property with Telluride Bluegrass Festival, PBC a Colorado Public Benefit Corporation doing business as PLANET BLUEGRASS for the 2025 and 2026 Rocky Grass festivals.
- II. **RECOMMENDED ACTION:** Staff suggests approval of the ordinance for a two-year lease agreement. The Board of Trustees may choose to amend or modify the agreement.
- III. **FINANCIAL IMPACTS:** If approved, anticipated revenue for the Parks and Recreation Fund for 2025 for RockyGrass is \$24,300, based on a flat rate per day lease for LMJ Park, combined with a fee for overflow parking at the 2nd Ave Trailhead for the festivals. The \$4,600 daily lease rate is a 4.5% increase above the 2024 daily rate paid by Planet Bluegrass. The daily lease rate would compensate the town for possible revenue fees that the town might be able to receive each day for camping, parking, and shelter rentals if each was 100% full each day during the nine-day lease agreements.
- IV. **BACKGROUND INFORMATION:** The festivals have been a long-standing event in Lyons for 25+ years. Town of Lyons staff work together with Planet Bluegrass to help provide LaVern Johnson Park with a successful location for camping and parking for the attendees.

The 2023 Lyons Thrive Comprehensive Plan notes several goals and policies relating to Lyons as a destination for festivals and events, including building on Lyons' brand as a premier destination for third party events, such as music festivals, and to support the use of shared parking and maximize the use of available resources to support local business particularly during major events.

- TBF/Planet Bluegrass contracts separately for extra duty sheriff enforcement and crowd

- control with Boulder County Sheriff's department
- TBF/Planet Bluegrass provides and pays for cleaning and upkeep of park facilities during the lease agreement
- The daily fee assumes maximum daily revenue projections for LaVern Johnson Park plus a small premium to guarantee the leased property. While the parks are more likely to have 100% occupancy on weekends, the weekday occupancy is typically not 100%. In general, we have less parking, tent camping, and shelter rentals on weekdays.
- The rate charged to PB assumes 100% revenue expectation, whether weekday or weekend.
- The lease agreement allows the Town to budget the revenue expectations effectively.
- The Town is not subject to fluctuations in daily revenue based on possible weather and/or rain and thunderstorms. PB accepts the risk.
- Park hosts, gate attendants, and cleaning staff get a break in the height of summer, after two busy months, with another 4 to 6 summer weeks remaining.
- A two-year agreement is an efficient use of staff and attorney time/fees.
- The Town and PB agreed to a two-year agreement in 2022. The timing of the two-year agreements is based on the expectation that the BOT will be seated on the board in the following year (based on our April 2024- April 2026 election schedule). Before 2022, there was a multi-year agreement for three years before the flood.
- To date, the Town has had successful lease arrangements with PB.

V. **LEGAL ISSUES:** Staff was advised that a multi-year lease should be an ordinance with two readings and a public hearing. The town attorney has reviewed the leases and the ordinances.

VI. **CONFLICTS OR ENVIRONMENTAL ISSUES:** N/A

PROPOSED MOTION: "I MOVE TO APPROVE ORDINANCE 1175, Approving a Lease of Town-Owned Property to Telluride Bluegrass Festival, PBC. for the 2025 and 2026 Rocky Grass Festivals."