

**Town of Lyons, Colorado
Board of Trustees
BOT Agenda Cover Sheet
Agenda Item No: VI. 5.
Meeting Date: 11/4/24**

TO: Mayor Rogin and Members of the Board of Trustees

FROM: Kim Mitchell, Director of Community Relations & Communications

DATE: October 30, 2024

ITEM: Ordinance 1176 – 2nd Reading and Public Hearing on An Ordinance of the Town of Lyons, Colorado, Approving a Lease of Town-Owned Property to Telluride Bluegrass Festival, Inc. For The 2025 And 2026 Rocky Mountain Folks Festival

 X ORDINANCE
 MOTION / RESOLUTION
 INFORMATION

- I. **REQUEST OR ISSUE:** Host a public hearing and consider approval of an ordinance to approve a lease of town-owned property with Telluride Bluegrass Festival, Inc. for the 2025 and 2026 Rocky Mountain Folks Festival.
- 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 Folks Festival is \$19,700, 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 2025 \$4,600 daily lease rate is a 4.5% increase above the 2024 daily rate paid by Planet Bluegrass.
 - The 2026 rate proposes an additional 4.3% increase over the 2025 rate.
 - The daily lease rate would compensate the town for the maximum 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.

BACKGROUND INFORMATION: The festivals have been long-standing in Lyons for 25+ years. The Town of Lyons staff works 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 the Boulder County Sheriff's department
- TBF/Planet Bluegrass provides and pays for all 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 park is more likely to have 100% occupancy on weekends, weekday occupancy is typically less than 100%. In general, we have less parking, tent camping, and shelter rentals on weekdays.
- The rate for the lease assumes 100% revenue expectation, whether on a weekday or weekend. As noted, it is rare for the park to be 100% full during the week.
- Planet Bluegrass has increased their per-person rates for camping in the past two years, between 6.7% and 14%.
- On first reading, a concern was raised regarding the lodging tax calculation that is submitted after each festival. Staff understand that the BOT may soon be having a more robust discussion on lodging tax as it relates to camping charges. PB would prefer to have the leases approved separately and have a separate lodging tax discussion as an upcoming agenda item.
- 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 efficiently uses 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 in fall 2025 as well. 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.

IV. **LEGAL ISSUES:** Staff were 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.

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

PROPOSED MOTION: "I MOVE TO APPROVE ORDINANCE 1176, Approving a Lease of Town-Owned Property to Telluride Bluegrass Festival, Inc. for the 2025 and 2026 Rocky Mountain Folks Festivals."