

City of Black Hawk and Gilpin County Intergovernmental Agreement

Term Sheet

Revision No. 1

Opening Remarks:

The City of Black Hawk presented a term sheet (Attachment A) to the County on March 21, 2024. It was shared with the Gilpin County Board of County Commissioners that there would be no negotiation with the terms, with the exception of the total weekly hours of operation presented.

The Gilpin County Board of County Commissioners (BoCC) held an Executive Session on March 26, 2024. Following the session, the BoCC stated that they appreciated the offer from the City of Black Hawk for dedicated funding for Park & Recreation. The BoCC looks forward to further negotiations on proposed terms.

Shared Understanding:

- 1) The City of Black Hawk, ("Black Hawk") is willing to refer a Lodging Tax measure to municipal voters for them to consider providing dedicated funding for the sole purpose of supporting the operation of the Gilpin County Parks and Recreation Department. The first-year annual contribution to Gilpin County ("Gilpin") of \$1,000,000 in the year 2025 (with monthly payments of \$83,333.33), subject to Denver-Aurora-Lakewood CPI annual adjustments thereafter.
- 2) Any tax collected would be terminated if a constitutional amendment or other mechanism applicable to the City shall be adopted that amends the constitutional allocation of gaming funds to the City received allocated to the City as a result of limited gaming.
- 3) The Gilpin County Library District ("Library") and their mill is not controlled by Gilpin. A separate Board of Trustee operates and oversees a separate budget. It is included as part of the annual Gilpin budget, but it is separate. In addition, the ballot measure approved by the voters of Gilpin permit annual adjustments to the mill based on inflation.
- 4) If any of these terms are found in breach of this IGA, the IGA shall terminate automatically, and Black Hawk shall not be obligated to remit any funds to Gilpin.

Proposed Revised Terms:

Original; followed by revised (a), with remarks (b)

- 1) The total Gilpin County mill levy, including the mill levy for the Gilpin County Library District, shall not exceed 10.695
 - a. [stricken]
 - b. Gilpin is unwilling to commit to a perpetually restriction to any future adjustment in the mill levy and the will of the voters of Gilpin County in this manner. If additional funds are pursued, it would be for the purpose of ensuring adequate revenue to protect the public health and welfare of the public. Such a restriction would have negative long-

term effects on public safety since those remaining departments/services have limited dedicated funding to support their operations. For example, the \$16,102,591 consolidated gaming distribution received by Gilpin in 2023 was not enough to cover both the Sheriff's Office operations (\$12,943,060) and Public Works Department (\$4,775,303) for a total of \$17,718,363. This reality leaves the remaining departments; Assessor, Attorney, Clerk & Recorder, Elections, Commissioners, Coroner, CSU Extension, Community Development, County Manager, Parks and Recreation, District Attorney, Facilities, Finance, Human Resources, Human Services, Veteran Services, Information Technology, Surveyor, Solid Waste, Public Health, Treasurer and Public Trustee, and their necessary services funding through alternative means.

- 2) The funding formula in the Second Amendment to the Establishing Contract for the Gilpin Ambulance Authority shall remain the same.
 - a. The funding formula in the Second Amendment to the Establishing Contract for the Gilpin Ambulance Authority, dated January 22, 2014, shall remain unchanged, unless mutually agreed upon by the City of Black Hawk, Gilpin and the City of Central.
 - b. Any revision to that agreement already requires mutual agreement
- 3) No Gilpin County Sales Tax, Use Tax, Lodging Tax, or any other tax or fee shall be imposed within Black Hawk.
 - a. [stricken]
 - b. See previous remark
- 4) No governmental or quasi-governmental entity within Gilpin County shall impose a mill levy within Black Hawk
 - a. No new quasi-government entity within Gilpin shall impose a mill levy within the City of Black Hawk, without prior agreement between entities
 - b. Revised to address any impact of any "new" quasi-governmental entity only.
- 5) No governmental or quasi-governmental entity within Gilpin County shall impose a Sales Tax, Use Tax, or any other tax or fee within Black Hawk.
 - a. No new quasi-governmental entity within Gilpin shall impose a sales tax, use tax, or any other tax or fee within the City of Black Hawk.
 - b. Revised to address any impact of any "new" quasi-governmental entity only.
- 6) No constitutional amendment or other mechanism applicable to the City shall be adopted that amends the constitutional allocation of gaming funds to the City received pursuant to Article XVIII, Section 9 (5) (b) (II) & (III) and results in a decrease in the funds allocated to the City as a result of limited gaming.
 - a. [added to the shared understanding section]
 - b. This is a statewide matter and not one determined by Gilpin
- 7) No part of the territory in Gilpin County shall be included within the boundaries of the regional transportation district or any other governmental or quasi-governmental entity created to finance transportation of mass transit.
 - a. No part of the territory of the City of Black Hawk shall be included within the boundaries of a regional transportation district (RTD) or any other governmental or quasi-governmental entity created to finance transportation of mass transit, unless agreed to by the City of Black Hawk.

- 8) Black Hawk residents and City employees shall receive no-cost annual individual or household membership to Gilpin County Community Center
 - a. [Accepted]
 - b. Provision accepted
- 9) Children of Black Hawk residents shall be provided access at no cost to youth activities and recreational leagues offered at the Gilpin County Community Center
 - a. [Accepted]
 - b. Provision accepted
- 10) The Gilpin County Community Center shall be open seven days a week for a minimum of 84 hours
 - a. The Gilpin County Community Center shall be open longer than the current 42.5 hours, based on the overall revenue received and allocated to support the operation.
 - b. The Gilpin County Community Center was reduced to being open to the public 4-days due to the failure of ballot measure 1A in November, 2023. The current reduced hours, with being open only four days are still supported by carry over funds from the prior ended 2.47 mill in the amount of \$678,895 (reflected in the 2024 budget) in 2024. The additional funds provided would in actuality provide an approximate net increase in funding of \$321,105 from current levels. It is estimated that an increase in hours, as specified, would increase costs to operate by over \$500,000 in 2025. The mandate for an increase in operations would greatly increase costs, which would outweigh the net benefits received as part of this proposal. An increase in operation hours is supported as part of this proposal, but not at seven days. For context, when the center was first open, it was open for just 76 hours per week. Gilpin continues to pay for significant capital expenses to maintain the building.

A financial donation and/or support would be very much appreciated, if conditions were not attached to any such financial contribution.

Attachment A

Rec
March 21
2024
2 p.m.
[Signature]

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Under the following terms and conditions, beginning in January 2025, Black Hawk shall remit \$1,000,000 to Gilpin County on an annual basis, including thereafter a yearly increase equal to the most recently published Actual Denver-Aurora-Lakewood Consumer Price Index. The funds shall be divided into twelve monthly installments. Gilpin County shall dedicate the received funds solely to the Gilpin County Parks and Recreation Department, using the funds exclusively for the operating expenses of the Gilpin County Community Center.

The terms and conditions are as follows:

- The total Gilpin County mill levy, including the mill levy for the Gilpin County Library District, shall not exceed 10.695 mills.
- The funding formula in the Second Amendment to the Establishing Contract for the Gilpin Ambulance Authority shall remain the same.
- No Gilpin County Sales Tax, Use Tax, Lodging Tax, or any other tax or fee shall be imposed within Black Hawk.
- No governmental or quasi-governmental entity within Gilpin County shall impose a mill levy within Black Hawk.
- No governmental or quasi-governmental entity within Gilpin County shall impose a Sales Tax, Use Tax, or any other tax or fee within Black Hawk.
- No constitutional amendment or other mechanism applicable to the City shall be adopted that amends the constitutional allocation of gaming funds to the City received pursuant to Article XVII, Section 9(5) (b) (II) & (III) and results in a decrease in the funds allocated to the City as a result of limited gaming.
- No part of the territory in Gilpin County shall be included within the boundaries of the regional transportation district or any other governmental or quasi-governmental entity created to finance transportation or mass transit.
- Black Hawk residents and City employees shall receive a no-cost annual individual or household membership to the Gilpin County Community Center.
- Children of Black Hawk residents shall be provided access at no cost to youth activities and recreational leagues offered at the Gilpin County Community Center.
- The Gilpin County Community Center shall be open seven days a week for a minimum of 84 hours.

If any of these terms are breached by Gilpin County or any entity not a party to this IGA takes action that violates the terms and conditions set forth above, the IGA shall terminate automatically, and Black Hawk shall not be obligated to remit any funds to Gilpin County.

This IGA is contingent upon the City of Black Hawk securing an affirmative vote from Black Hawk citizens to increase its Lodging Tax in November 2024.