

Minutes of the Work Session of the Gallup City Council, City of Gallup, New Mexico, held in the Council Chambers at City Hall, 110 West Aztec, at 6:00 P.M. on Tuesday, April 27, 2010.

The meeting was called to order by Mayor Harry Mendoza.

At such meeting, the following were present, constituting a quorum:

Mayor: Harry Mendoza

Councilors: John J. Azua
Mike Enfield
Allan Landavazo
E. Bryan Wall

Also present: R. David Pederson, City Manager &
City Attorney

Presented to the Mayor and Councilors were the following discussion items:

1. National Junior High Finals Rodeo – Dudley Byerley

Mr. Byerley said he provided an informational packet for the Mayor and Councilors concerning the City's bid for hosting the 2012 and 2013 rodeo. He introduced Austin White, Marketing Director for the National High School Rodeo Association (NHSRA). Mr. White said the Association enjoys bringing the rodeo to Gallup as the facilities at Red Rock Park suits the needs for hosting the event.

Mayor Mendoza asked about the safety demonstration facility as mentioned on page 7 of the City's proposal. Mr. Byerley said the Professional Rodeo Cowboys Association (PRCA) provides a safety demonstration for all contestants. Mayor Mendoza asked about the language on page 8 of the proposal, concerning the City's agreement to indemnify the NHSRA for any action brought by any National Sponsor or Licensee for the NHSRA for service mark infringement and the parties also acknowledge that the NHSRA shall be doing business as the Wrangler Junior High Finals Rodeo. Mayor Mendoza asked if specific language should be included to hold the NHSRA harmless for doing business within Red Rock Park. Mr. Pederson said the City should not indemnify anyone and recommends striking such language from the proposal. Mr. Byerley said the paragraph in the proposal refers to the protected use of the logo of the NHSRA. Mr. White said the purpose of the provision is to protect the sponsors of the rodeo. Mayor Mendoza recommended adding language to the proposal which would restrict the provision to Red Rock Park. Mr. White did not have any objections. Mr. Pederson questioned the language in the proposal concerning a new trade show building. Mr. Byerley said he overlooked the provisions concerning the trade show building and the references made to Wrangler Junior High Finals Rodeo. Mr. Byerley said he will remove the references to the trade show building and edit remaining parts of the proposal.

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Mayor Mendoza asked about the use of a tent for the trade show. Mr. Byerley said the use of a tent is possible but expensive as the combined cost for a tent and an air conditioning unit would be around \$20,000. Councilor Landavazo said \$20,000 is inexpensive compared to \$2 million for a new trade show building. Mr. Byerley agreed with Councilor Landavazo; however, more research concerning the improvements needed for Red Rock Park will be required as he will present the updated figures to the Mayor and Councilors in the upcoming weeks. Mr. Byerley said the NHSRA would prefer a larger building for the trade show but the trade show could be housed in the existing facilities the City currently has. Councilor Wall asked for the square footage of the current building being used for the trade show. Ben Welch, Executive Director, Parks and Recreation Division, said almost 15,000 square feet.

Councilor Enfield asked who would be responsible for veterinary services for a downed horse. Mr. Byerley said the owner of the horse would be responsible for the charges incurred for veterinary services. Councilor Enfield said the proposal should include specific language concerning the responsible party for veterinary services. Mr. Byerley said there is specific language in the Request for Proposals (RFPs) concerning the responsible party for charges incurred for veterinary services; however, the language, as recommended by Councilor Enfield, could be included in the proposal. Ron Caviggia, Purchasing Director, concurred. Mr. Byerley said the City would have to pay for the contract to have the veterinarian available for the event; however, each individual service will be charged to each horse's owner. Councilor Wall asked if the City's cost for the veterinarian would be \$11,700. Mr. Byerley said \$11,700 would be the approximate cost.

Councilor Landavazo expressed his concerns with the City having to guarantee a minimum gate of \$130,000 plus \$20,000 for an approval fee and paying \$50,000 per year based on a minimum of 825 contestants. Councilor Landavazo asked if the NHSRA has the responsibility of marketing their product and to generate ticket sales for the event. Mr. Byerley said \$50,000 is provided by the Rodeo Council and the City has been able to meet and succeed the gate guarantee in previous years, even though there was a drop in the number of contestants last year. Mr. Byerley said there is a guarantee of 825 contestants that will purchase their armbands for the event. Councilor Landavazo said there were 784 contestants participating in last year's event, based on the Economic Impact Study. Mr. Byerley said the sale of the armbands would take care of the gate guarantee and the City's responsibility would be to generate additional admissions at the gate. Mr. Byerley is also projecting 900 to 1,000 contestants participating in this year's event. Councilor Landavazo asked if Mr. Byerley could provide the Mayor and Councilors with the proposals that have been accepted in the past for Junior High School Finals Rodeo in other cities. Mr. Byerley said there have not been any other Junior High School Rodeo events held in other cities. Councilor Landavazo said the proposal appears to be one-sided and does not appear to be much

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negotiation on the proposal. Mr. Byerley said there have been numerous negotiations with the NHSRA since bringing the event to Gallup. Mr. Byerley said Gallup has been able to negotiate a more enhanced contract than the contract negotiated by Farmington for the National High School Finals Rodeo. Mr. Byerley said if Gallup prefers to negotiate further it should be addressed in the proposal. Councilor Landavazo said there are high costs connected with in-kind services that are not evaluated and should be addressed. Mr. Byerley said the City's share of the gross receipts tax revenues generated by the rodeo are estimated at \$70,000. Based on last year's loss of \$50,000, Mr. Byerley said he has \$20,000 paid towards the City's in-kind services. Councilor Landavazo said he would like to see a copy of Farmington's contract for hosting the National High School Finals Rodeo. Councilor Landavazo also said he believes the numbers in the Economic Impact Study pertaining to the number of contestants and the length of stays are skewed since contestants do not stay for the entire length of the event, especially if they do not make the finals toward the end of the event. Mr. Byerley said the Economic Impact Study is based on the information included on the surveys submitted by the parents of the contestants. Councilor Landavazo said not all of the contestants stayed the entire time of the event. Mr. White said the numbers included in the Economic Impact Study are pretty accurate since the contestants will arrive on Thursday and will depart as early as the following Wednesday. Mr. Byerley said the contestants have two runs at every event and the earliest a contestant may leave will be on Wednesday. If a contestant is participating in two events, the length of their stay will be longer. Mr. Byerley said there is additional information that needs to be included in the Economic Impact Study and he will submit the finalized report to the Mayor and Councilors when it is completed.

Councilor Azua said the proposal seems to be a 50/50 proposition with one side taking an equal gamble as the other side. Councilor Azua asked if his assessment of the proposal was a fair estimate. Mr. Byerley said there have been heated discussions in the past since the initial pitch was made to conduct the event a few years ago. Mr. Byerley said there have been adjustments made concerning the stall money in the previous contracts. Councilor Azua said he views the event as a winning situation for the City based on his observations during previous events. Councilor Azua commended Mr. Byerley for his work and said he prefers his experience at the Junior High School Finals Rodeo in Gallup over the National High School Rodeo in Farmington. Mr. Byerley said they have always strived to break even in hosting the event and will try to generate as much gross receipts tax revenue for the City which will make up for the manpower and in-kind services for the event.

Mayor Mendoza said based on the adjustments made during the past two years the City's losses have decreased. Judi Starkovich, Executive Director, Administrative Services Division, said they try to focus on different areas every year to increase efficiency and profitability.

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Councilor Wall asked if the NHSRA could obtain an insurance policy to protect the gate guarantee. Mayor Mendoza said the insurance premium would cost more than what the City could save by not taking out a policy. Councilor Wall said he would also recommend removing the gate guarantee in the proposal since it should be up to the promoters to generate the attendance for the event. Mr. Byerley said the City would be the promoter for the event and the NHSRA would be the user of the facilities. Mr. Byerley also referred to the letters of support included in the informational packet from the local business community. Mr. Pederson recommended a comparison of this year's contract with the proposal to be submitted for the 2012 and 2013 rodeos.

2. Proposed Amendments to the Gallup Municipal Code Concerning Itinerant Vendors – Clyde (C.B.) Strain, Community Planner and Alfred Abeita, City Clerk

Mr. Strain said the City's Ordinance regulating itinerant vendors defines itinerant vendors as any person who goes from house to house or from place to place within the city soliciting, selling or taking orders for any merchandise, services, photographs, newspapers, magazines or subscriptions or a person engaged in such sales, without a permanent structure within which to conduct business. The Ordinance also allows itinerant vendors to conduct business on properties not owned by the vendors as long as permission is granted by the property owner. By allowing vendors to remain stationary to sell their goods and wares contradicts the definitions in the Ordinance which requires itinerant vendors to go from place to place to sell their merchandise. Since itinerant vendors are allowed to remain stationary it has turned vacant lots into mini flea markets, which are becoming nuisances and eyesores. The City's Zoning Regulations prohibits corner vending and flea markets are regulated as conditional uses governed by the Planning and Zoning Commission with specific use provisions tied to the uses. Itinerant vendors will set-up on dedicated off-street parking spaces within parking lots and there have been confrontations between vendors in trying to set-up on the same space in the same lot. It is staff's recommendation amend the City's Itinerant Vendor Ordinance by prohibiting vendors from conducting business on properties not owned by them.

Councilor Wall said the current Ordinance is not fair to the local business owners since they pay taxes and expenses related to the maintenance of their business structures. Councilor Wall asked if vendors could obtain a permit to sell for a certain number of days. Mr. Strain said the proposed ordinance would be an "all or none" provision on whether to allow itinerant vendors to set-up on properties not owned by them. Mr. Strain also said the proposed amendment would not affect vendors selling by push cart during the Inter-Tribal Indian Ceremonial. Mr. Pederson said the Itinerant Vendor Ordinance was designed to allow door to door salesmen and vendors to sell their goods from place to place. Mr. Pederson also said allowing vendors to set-up on lots on a

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semi-permanent basis are becoming problematical and create unsightly conditions. Councilor Azua asked if the proposed amendment would affect the vendors selling their goods at Earl's Restaurant and certain burrito salesmen. Mr. Strain said the proposed amendment may affect certain itinerant vendors. Mr. Pederson said staff will address such matters in creating proposed revisions to the Ordinance. Mayor Mendoza asked about property owners selling permits to individual vendors and allowing them to sell on their property. Mr. Pederson said there is a difference between vendors selling from a fixed permanent structure as opposed to the problem of vendors setting up and selling on parking lots. Councilor Enfield said if vendors are being allowed to sell at Earl's Restaurant which is located on private property, what would be the difference in allowing vendors to set up on vacant, privately owned, property. Mr. Pederson said there not a legal or a philosophical difference; however, there will be a public outcry if an "all or none" provision is adopted under the circumstances. Councilor Landavazo recommended eliminating the references made to vacant lots in the Ordinance and to include provisions allowing jewelry vendors to sell at permanent structures such as Earl's Restaurant. Mr. Strain recommended adopting specific regulations for itinerant vendors similar to temporary or special use permits which are issued for temporary tents, fireworks stands, etc. Councilor Azua asked if fireworks stands are required to have utility service. Mr. Strain responded no and that temporary use permits are issued for temporary, seasonal purposes. Councilor Azua said if a property owner wants to lease a space to a vendor, the property owner should provide utility services to the space that is being leased. Mr. Pederson said staff will review possible solutions to the matter and will bring its findings to the Mayor and Councilors.

Due to time limitations, the Work Session adjourned.



Mayor Harry Mendoza

ATTEST:



Alfred Abeita, City Clerk

Approved 5/11/2010