



**OFFICE OF INSPECTOR GENERAL**  
*City of Albuquerque*

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**Report of Investigation**

**FILE NO:** 22-0203-C

**SUBJECT MATTER:** Alleged violation of Article IX Section 14 regarding the purchase and installation of stadium turf and a misuse of taxpayers' dollars.

**STATUS:** Final

**INVESTIGATOR:** M. Santistevan

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*Melissa R. Santistevan*

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**EDMUND E. PEREA, ESQ**  
**ACCOUNTABILITY IN GOVERNMENT**  
**OVERSIGHT COMMITTEE CHAIRPERSON**

February 1, 2023

**Date of Completion**

3/10/2023 | 10:59 AM MST

**Date of Approval**

**DISTRIBUTION:**

- Honorable Mayor**
- President City Council**
- Chief Administrative Officer**
- City Councilors**
- Director Council Services**
- City Attorney**
- Department Director**
- Members, Accountability and Government Oversight Committee**
- File**

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## EXECUTIVE SUMMARY

According to City Ordinance 2-17-2, the Inspector General's goals are to (1) Conduct investigations in an efficient, impartial, equitable, and objective manner; (2) Prevent and detect fraud, waste, and abuse in city activities including all city contracts and partnerships; (3) Deter criminal activity through independence in fact and appearance, investigation and interdiction; and (4) Propose ways to increase the city's legal, fiscal and ethical accountability to insure that tax payers' dollars are spent in a manner consistent with the highest standards of local governments.

On December 7, 2022, the Office of Inspector General (OIG) received an allegation that the City's Parks and Recreation Department (P&R) violated the NM Anti-Donation Clause through the purchase and installation of indoor stadium turf for the Duke City Gladiators (DCG) resulting in a misuse of taxpayers' dollars. The OIG determined that the allegations contained elements of potential fraud, waste, or abuse and that it was appropriate for the OIG to conduct a fact-finding investigation. The purpose of the investigation was to determine if a violation of Article IX, Section 14 of the New Mexico Constitution occurred concerning the purchase and installation of stadium turf for the Duke City Gladiators.

As a result of the investigation, the OIG was able to substantiate the allegation that the City's Parks and Recreation Department violated the NM Anti-Donation Clause through the purchase and installation of indoor stadium turf for the Duke City Gladiators resulting in a misuse of taxpayers' dollars. In part, this allegation was able to be substantiated based on a statement in a letter from the New Mexico Department of Finance and Administration (NM DFA), whereby, NM DFA's legal counsel determined that the use of the funds would violate the terms of the appropriation and that if the City were to use the funds in the proposed manner it would also violate the New Mexico Anti-Donation Clause, N.M. Const, art. 9, § 14.

## ABBREVIATIONS

A1:	City Administrator
A2:	City Administrator
A3:	City Administrator
CITY:	City of Albuquerque
C1:	Contractor
DCG:	Duke City Gladiators
DMD:	Department of Municipal Development Capital Improvement Division
E1:	Parks and Recreation Employee
E2:	Parks and Recreation Employee
E3:	Parks and Recreation Employee
E4:	Parks and Recreation Employee
E5:	Department of Municipal Development Employee
E6:	Department of Municipal Development Employee
I1:	Intermediary
NM DFA:	New Mexico Department of Finance and Administration
OIG:	Office of Inspector General
P&R:	Parks and Recreation Department
PO:	Purchase order

## INTRODUCTION

The mission of the Office of Inspector General (OIG) is to promote a culture of integrity, accountability, and transparency throughout the City of Albuquerque (City) to safeguard and preserve public trust.

### **Allegation**

The allegation was initiated through the OIG Tip Hotline and alleged that the City, through the Parks and Recreation Department (P&R), violated the NM Anti-Donation Clause through the purchase and installation of indoor stadium turf for the Duke City Gladiators (DCG) resulting in the misuse of taxpayers' dollars.

### **Background**

The City proposes tax bond questions to the constituents of the City to obtain approval to utilize bond monies for capital projects implemented in the City. The bond question regarding P&R reads as follows:

*Shall the City of Albuquerque issue \$XX, XXX, XXX of its general obligation bonds to study, map, plan, design, develop, construct, rehabilitate, renovate, expand, furnish, equip, enhance, and otherwise improve, and acquire property, vehicles, and equipment for park and recreational facilities, including public parks and facilities within those parks, swimming pools, tennis courts,*

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*sports fields, other recreational facilities, open space, medians, bikeways, bosque lands, and trails? This will not increase the tax rate.*

On June 29, 2021, City Council approved a resolution amending the adopted capital implementation program of the City by approving new projects, supplementing current appropriations and changing the scope of existing projects including an appropriation for \$160,000 for “Artificial Turf Playing Fields Acq. & Construct.”

On September 22, 2021, an agreement was entered into between the NM DFA and the City for a legislative appropriation described as:

“21-F2583 \$160,000 Appropriation Reversion Date 30-JUN-25 Laws of 2021, Chapter 138, Section 29, Paragraph 24, One Hundred Sixty Thousand Dollars (\$160,000.00) to acquire property for and to plan, design and construct artificial turf playing fields at park and recreational facilities, including swimming pools, tennis courts, sports fields, open space, medians, bikeways, bosque lands and trails, in Albuquerque in Bernalillo County.”

In April 2022, artificial turf, totaling \$236,622.15, was paid for and installed by the City on behalf of DCG, in the Rio Rancho Events Center which is operated by Global Spectrum, L.P. The artificial turf was designed with both the DCG and the One Albuquerque emblems.

On September 16, 2022, NM DFA rejected a request for reimbursement under the legislative appropriation.

### **SCOPE AND METHODOLOGY**

Scope: Transactions related to the purchase and installation of indoor stadium turf between January 1, 2022 and June 30, 2022.

The methodology consisted of:

- Research employee information for those identified
- Send out Notices of Investigations
- Send out Notices of Interviews
- Develop interview questions
- Conduct interviews
- Contact Legal to see if there is any pending litigation
- Contact Risk Management to see if there is any pending litigation
- Complete report

This report was developed based on information from interviews, inspections, observations, and the OIG’s review of selected documentation and records.

## INVESTIGATION

**Allegation:** The City through the P&R violated the NM Anti-Donation Clause through the purchase and installation of indoor stadium turf for the DCG resulting in a misuse of taxpayers' dollars.

**Authority:** Article IX, Section 14 New Mexico Constitution

Neither the state or any county, school district, or municipality, except as otherwise provided in this constitution, shall directly or indirectly lend or pledge its credit or make any donation to or in aid of any person, association or public or private corporation or in aid of any private enterprise for the construction of any railroad except as provided in Subsections A through G of this section.

A. Nothing in this section prohibits the state or any county or municipality from making provisions for the care and maintenance of sick and indigent persons.

B. Nothing in this section prohibits the state from establishing a veterans' scholarship program for Vietnam conflict veterans who are post-secondary students at educational institutions under the exclusive control of the state by exempting such veterans from the payment of tuition. For the purposes of this subsection, a "Vietnam conflict veteran" is any person who has been honorably discharged from the armed forces of the United States, who was a resident of New Mexico at the original time of entry into the armed forces from New Mexico or who has lived in New Mexico for ten years or more and who has been awarded a Vietnam campaign medal for service in the armed forces of this country in Vietnam during the period from August 5, 1964, to the official termination date of the Vietnam conflict as designated by executive order of the president of the United States.

C. The state may establish by law a program of loans to students of the healing arts, as defined by law, for residents of the state who, in return for the payment of educational expenses, contract with the state to practice their profession for a period of years after graduation within areas of the state designated by law.

D. Nothing in this section prohibits the state or a county or municipality from creating new job opportunities by providing land, buildings, or infrastructure for facilities to support new or expanding businesses if this assistance is granted pursuant to general implementing legislation that is approved by a majority vote of those elected to each house of the legislature. The implementing legislation shall include adequate safeguards to protect public money or other resources used for the purposes authorized in this subsection. The implementing legislation shall further provide that:

- (1) each specific county or municipal project providing assistance pursuant to this subsection need not be approved by the legislature but shall be approved by the county or municipality pursuant to procedures provided in the implementing legislation; and
- (2) each specific state project providing assistance pursuant to this subsection shall be approved by law.

E. Nothing in this section prohibits the state, or the instrumentality of the state designated by the legislature as the state's housing authority, or a county or a municipality from:

- (1) donating or otherwise providing or paying a portion of the costs of land for the construction on it of affordable housing;
- (2) donating or otherwise providing or paying a portion of the costs of construction or renovation of affordable housing or the costs of conversion or renovation of buildings into affordable housing; or
- (3) providing or paying the costs of financing or infrastructure necessary to support affordable housing projects.

F. The provisions of Subsection E of this section are not self-executing. Before the described assistance may be provided, enabling legislation shall be enacted by a majority vote of the members elected to each house of the legislature. This enabling legislation shall:

- (1) define "affordable housing";
- (2) establish eligibility criteria for the recipients of land, buildings, and infrastructure;
- (3) contain provisions to ensure the successful completion of affordable housing projects supported by assistance authorized pursuant to Subsection E of this section;
- (4) require a county or municipality providing assistance pursuant to Subsection E of this section to give prior formal approval by ordinance for a specific affordable housing assistance grant and include in the ordinance the conditions of the grant;
- (5) require prior approval by law of an affordable housing assistance grant by the state; and
- (6) require the governing body of the instrumentality of the state, designated by the legislature as the state's housing authority, to give prior approval, by resolution, for affordable housing grants that are to be given by the instrumentality.

G. Nothing in this section prohibits the state from establishing a veterans' scholarship program, for military war veterans who are post-secondary students at educational institutions under the exclusive control of the state and who have exhausted all educational benefits offered by the United States department of defense or the United States department of veterans affairs, by exempting such veterans from the payment of tuition. For the purposes of this subsection, a "military war veteran" is any person who has been honorably discharged from the armed forces of the United States, who was a resident of New Mexico at the original time of entry into the armed forces, or who has lived in New Mexico for ten years or more and who has been awarded a southwest Asia service medal, global war on terror service medal, Iraq campaign medal, Afghanistan campaign medal or any other medal issued for service in the armed forces of this country in support of any United States military campaign or armed conflict as defined by congress or by presidential executive order or any other campaign medal issued for service after August 1, 1990 in the armed forces of the United States during periods of armed conflict as defined by congress or by executive

order. (As amended November 1, 1971, November 5, 1974, November 8, 1994, November 5, 2002, November 7, 2006 and November 2, 2010.)

**Evidence:** *Bond question for voters of the City*

The City proposed the following bond question regarding Parks and Recreation in bond resolutions for 2017, 2019, and 2021.

*Shall the City of Albuquerque issue \$XX, XXX, XXX of its general obligation bonds to study, map, plan, design, develop, construct, rehabilitate, renovate, expand, furnish, equip, enhance, and otherwise improve, and acquire property, vehicles, and equipment for park and recreational facilities, including public parks and facilities within those parks, swimming pools, tennis courts, sports fields, other recreational facilities, open space, medians, bikeways, bosque lands, and trails? This will not increase the tax rate.*

*An estimate through the Intermediary (II) from the contractor (CI) dated January 25, 2022.*

The estimate references the DCG Indoor Portable Field Quote No.: 220125, totaling \$236,622.15 including the following terms and the master plans (ATTACHMENT A):

- Warranty is manufacturer's warranty.
- This offer is for the sale of tangible personal property not attached to a structure but designed to be moved from one location to another. NMGRT on set-up labor and site supervision only with Type 9 NTTC.
- This offer replaces and voids all previous offers. Offer automatically expires if not accepted by January 31, 2022.
- All goods are subject to inspection by the City upon installation. Payment of design, set-up or other fees shall not waive the City's right to reject nonconforming goods upon inspection and receive a full refund of all amounts paid or replacement from Contractor. The rights and remedies of the City in this paragraph are not exclusive and are in addition to any other rights now being provided by law or under this agreement.
- The terms of this contract are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this contract. If sufficient appropriations and authorization are not made by the Legislature, the City of Albuquerque may immediately terminate this contract by giving Contractor written notice of such termination. The City of Albuquerque's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. Contractor hereby waives any rights to assert an impairment of contract claim against the City of Albuquerque, the Department of Finance and Administration, Local Government Division (DFA/LGD), or the State of New Mexico in the event of immediate or early termination of this contract by the City of Albuquerque or the Department.



- This contract is funded in whole or in part by funds made available under DFA/LGD Grant Agreement. Should DFA/LGD early terminate the grant agreement, the City of Albuquerque may early terminate this contract by providing Contractor written notice of such termination. In the event of termination pursuant to this paragraph, the City of Albuquerque's only liability shall be to pay Contractor for acceptable goods delivered and services rendered before the termination date.

*The requisition, purchase orders, and invoices that were created for the procurement of the artificial turf field.*

Requisition RPR0019735 dated January 11, 2022

Purchase order (PO) approval, for invoice 24-124409 dated March 18, 2022, identified as voucher ID 01515756 for \$110,000 reflecting approval on April 14, 2022, at 10:54 am by the PO requestor, approval on April 14, 2022, at 12:40 pm by the Purchasing Fiscal Manager, and final approval on April 14, 2022, at 2:28 pm by the Signature Level 5.

Invoice 24-124409 from I1 for PO POPRK-PRK0023304, dated March 18, 2022, totaling \$110,000 with a line item description stating “Duke City Gladiators Indoor Portable Field-95.32% Complete.”

PO approval, for invoice 24-124406 dated March 18, 2022, identified as voucher ID 01515755 for \$115,000 reflecting approval on April 14, 2022, at 10:54 am by the PO requestor, approval on April 14, 2022, at 12:41 pm by the Purchasing Fiscal Manager, and final approval on April 14, 2022, at 2:27 pm by the Signature Level 5.

Invoice 24-124406 from I1 for PO POPRK-PRK0023304, dated March 18, 2022, totaling \$115,000 with line item descriptions stating “Duke City Gladiators Indoor Portable Field” \$111,503.12 and “Payment & Performance Bonds” \$3,496.88.

PO approval, for invoice 24-125011 dated April 7, 2022, identified as voucher ID 01522578 for \$11,622.15 reflecting approval on April 14, 2022, at 10:53 am by the PO requestor, approval on April 14, 2022, at 12:40 pm by the Purchasing Fiscal Manager, and final approval on April 14, 2022, at 2:28 pm by the Signature Level 5.

Invoice 24-125011 from I1 for PO POPRK-PRK0023304, dated April 7, 2022, totaling \$11,622.15 with line item descriptions stating “Duke City Gladiators Indoor Portable Field- 100% Complete” \$10,887.88 and “NMGRT Charge” \$734.27.

*Notes from Peoplesoft acknowledging the requirement of a Notice of Obligation, the terms, and an indication of who the field was for.*

PO request requires Notice of Obligation (NoO) for State approval – Wage rates will be added once the NoO is approved -NMGRT at \$734.27 will be added to the PO. City Parks is paying for the performance and payment bonds. Prepayment and Payment arraignment (sic) with AP – email correspondence attached. COI approved by Risk.

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Gladiator Field – Field Installation Quote# 220125 Design, set-up, and procure raw materials  
The total cost through I1 contract #2019-028 is \$215,953.00  
Freight: \$ 7,114.00  
Installation: \$ 6,500.00  
Supervision: \$ 2,824.00  
100% Payment & Performance Bonds: \$ 3,496.88  
NMGRT (on labor only) @ 7.875%: \$ 734.27  
\$236,622.15 Total

Completion of fabrication 3/1/2022

Completion of installation 4/1/2022

Bonds to be paid in full by the City of Albuquerque. Completed original bonds to be provided to the City.

Wage Rate Determination number is requested and will be provided to vendor.

C1 Duke City Gladiators Indoor Portable Field Quote # 220125  
1/25/2022  
I1 # 19-029B-C101-ALL

*Three separate emails related to the procurement of the field indicating funding sources and the recommended process.*

“I am glad we spoke today. We will take the exact approach as the track purchase we did with you. This will simplify the purchase. So, yes, if we bonded for the track, let’s bond for the field. I’ll send you the language of the grant agreement on Monday so you have the proper context of the recent language we put in. I am confident everything will go through after this. Even with the State.”

“It will be unproductive to use the words “down payment”. Rather, a payment schedule may simplify things. We do, in fact, have funds going toward this Purchase Order that is not State Grant sourced. [REDACTED] can get with you on Monday to work out the detail. I think if you accept the language, knowing we have a schedule that you can go with, knowing we will also be submitting to the State (and making phone calls up there to expedite), we should be ok. [REDACTED] and you worked out a similar payment schedule.”

“The first paragraph is acceptable but we’ll need some more background on the second and third paragraphs. We can’t manufacture a field without funds previously appropriated. My suggestion would be to secure the funding first, or buy the field on a lease, using funds on hand as a down payment, and paying off the balance over time.”

*Letter from NM DFA stating attorney opinion of potential violations*

DFA letter dated September 16, 2022, stating “After a review of the supporting documentation for the reimbursement provided by CABQ, DFA’s legal counsel determined that the use of the funds would violate the terms of the appropriation, cited above, and that if CABQ were to use the funds in the proposed manner it would also violate the New Mexico Anti-Donation Clause, N.M. CONST, art. 9, § 14.”

*Memorandum of Understanding indicating terms of use of the artificial turf.*

A memorandum of understanding (MOU), dated April 25, 2022, between The City of Albuquerque (City), Global Spectrum L.P., and the Duke City Gladiators (DCG) reflected that the artificial turf playing field would be an asset of the City and that the City would retain ownership.

Additional provisions of note were that the Field shall be for use only by the DCG and other entities approved by the City. The City shall coordinate and repair any damages to the Field. The City will provide a proposed schedule for the exclusive use of the Field at the Rio Rancho Event Center, operated by Global Spectrum L.P., by entities other than DCG, such as youth football players and other youth sports organizations. The City or its representatives will remove and dispose of debris and leave no potential hazards on the Field or the Field space at the Rio Rancho Events Center upon each use of the Field by the City or a user designated by the City. The City retained the rights to use the Field at a location other than the Rio Rancho Event Center with two weeks’ notice to all parties to the MOU. The City also retained the right to inspect the indoor artificial turf sports field annually. The DCG shall provide the City with 50 free tickets per DCG home game, of which 25 shall be premium tickets.

*Administration Question and Answer Period of the Council meeting dated January 18, 2023 in which additional explanation for the purchase and use was provided.*

*The 2022 Football Schedule from the DCG website indicates the home field is in Rio Rancho*

<b>Date</b>	<b>Team</b>	<b>Location</b>
March 19, 2022	Arizona Rattlers	Phoenix, AZ
March 26, 2022	Frisco Fighters	Rio Rancho, NM
April 2, 2022	Arizona Rattlers	Rio Rancho, NM
April 9, 2022	Bay Area Panthers	Rio Rancho, NM
April 16, 2022	Tucson Sugar Skulls	Rio Rancho, NM
April 23, 2022	Frisco Fighters	Frisco, TX
April 30, 2022	Tucson Sugar Skulls	Tucson, AZ
May 7, 2022	Bay Area Panthers	San Jose, CA
May 21, 2022	Vegas Knight Hawks	Henderson, NV
May 28, 2022	San Diego Strike Force	Rio Rancho, NM
June 4, 2022	Mass Pirates	Rio Rancho, NM
June 11, 2022	Frisco Fighters	Frisco, TX
June 18, 2022	Arizona Rattlers	Rio Rancho, NM
June 25, 2022	N. Arizona Wranglers	Prescott Valley, AZ
July 9, 2022	San Diego Strike Force	San Diego, CA
July 16, 2022	N. Arizona Wranglers	Rio Rancho, NM

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**Interviews:** An interview with E1 revealed that E1 was involved from the point of the requisition approval but was not involved in the authorization to purchase or in the determination of the design of the artificial turf for the Gladiator field. E1 indicated that there was an urgency to procure this artificial turf quickly. E1 stated that E1 felt absolute pressure. E1 heard that A1 “wanted this done yesterday”. E1 indicated that there was a “big push to make it happen”. E1 stated that City attorneys, procurement, and bosses said to “make it happen”. E1 stated that with all of these individuals involved that E1 felt comfortable signing off on the project. E1 indicated that E1 was not aware of a denial letter from NM DFA for the request for reimbursement, or a letter purporting any violations. E1 stated that the agreement from the State said the funds could be used for a field in Albuquerque, in Bernalillo County and E1 was “queasy” knowing this field was to be installed in Rio Rancho. E1 stated that E1 did not know the DCG was a privately-owned organization. E1 did not have further involvement in what funds were used for this purchase or in identifying other funding sources for the purchase of the artificial turf.

An interview with E2 revealed that E2 entered the purchase request into PeopleSoft based on the funding string provided by E4, E3, and the CIP division of DMD. Generally, a requisition is placed on hold until the Notice of Obligation is received, then the requisition is dispatched and the procurement process can commence. E2 stated that the procurement process should not be able to proceed without the approved Notice of Obligation. E2 inherited this project due to the retirement of another purchasing personnel. E2 indicated that this was the first time E2 processed such a request and thus E2 trusted others and did not ask questions regarding the procurement. E2 stated that there were others in the department, in legal and in CIP who reviewed this and E2 hoped they looked at and addressed any issues. E2 stated that there was pressure to make this purchase quickly because of deadlines to use the CIP funding. E2 was not aware of the denial of state funds and did not have further involvement in identifying other funding sources for the purchase of the artificial turf. E2 stated that there was an agreement for in-kind services. E2 indicated that E2 has never seen the DCG tickets provided to the department or City. E2 stated that E2 has no knowledge of any events using the DCG field being held on behalf of the City.

An interview with E3 revealed that E3 had no role in the request for capital outlay funding nor did E3 have any knowledge of the request. E3 does not know who entered the request into the legislative council online portal. E3 was an approver in the procurement process for the artificial turf field. E3 recalled that P&R was notified by DMD of approved State Capital Outlay funding and that the procurement of an artificial turf field was assigned to P&R. E3 indicated that P&R did review the language in the NoO, which was broad in scope and did not have any questions as “it seemed to fit within the scope”.

When asked by OIG if there was a push to get this project completed, E3 stated that there is always a push from A2 and A3 through project status updates. E3 acknowledged that there was also a push from DCG to have the product installed by the opening date of football season. According to E3, Covid protocols established by the State of New Mexico Governor would not permit this type of event play in a state-owned facility so the DCG signed a lease with Global Spectrum, L.P.

for the Rio Rancho Events center. E3 indicated that all projects are subject to pressure because the City is supposed to spend the monies on behalf of the constituents.

E3 was aware of the DFA letter of denial sent in the fall of 2022 for reimbursement. E3 stated that the denial was likely relayed to E4 but E3 could not recall sharing the information with anyone else as this is not E3's practice. E3 stated that there were discussions held among City leadership where the subject of this project came up. When asked to identify who in City leadership, E3 stated that A2, A3, and E5 were included in those discussions. E3 did have discussions with A1 regarding the artificial turf project as those discussions related to providing status updates on orders, delivery, and progress. E3 stated that there was no meeting where A1 was involved in the discussions surrounding the denial of funding or the use of other funding sources. E3 indicated that A1 knew about the letter of denial based on other conversations.

E3 acknowledged that the statement made to City Council on January 18, 2023, was incorrect because the State was expected to allocate \$160,000 and the City was to contribute the difference which approximated \$76,000. E3 stated that the City's contribution was to be coded to a surplus fund managed by DMD called the Surplus Acquisition Fund. E3 is not aware of the source of funds in the surplus acquisition fund. E3 stated that E3 is not aware of any alternative funding sources to be used in place of Capital Outlay funds.

E3 stated that there are "always some accounts not in balance" and although this may not be a true receivable on the books, the City believes the State should reimburse the funds. E3 stated that there is an expectation that the State will reimburse the cost of the artificial turf field under the approved Capital Outlay request. E3 is not aware whether any changes to the City's financial records were made to record a receivable. E3 acknowledged that E3 is not fully knowledgeable of "accounts receivables" with respect to accounting terms.

E3 stated that the City Attorney's Office disagrees with the opinion provided by DFA's legal counsel regarding a violation of the Anti-donation clause. E3 stated that this is based on the consideration outlined in the MOU, including the DCG game tickets, youth events, and the City being designated as a major sponsor. E3 could not elaborate on what it meant to be a major sponsor but indicated that there was something written and E3 would try to locate and provide it to the OIG. E3 stated that there is still an option for the City to resubmit the request for reimbursement through June 2025, the reversion date for the appropriation. E3 stated that changes may be made to satisfy the States requirements and that remedies still exist such as moving the field back to the City. E3 stated that the installation of the artificial turf field in the Rio Rancho Events Center was temporary and that the expectation was for the field to be relocated back to Albuquerque. E3 stated that the field has never been moved to any other venue outside of the Rio Rancho Events Center. As of this report date, there is no estimated date for the relocation of the field to a venue in the City of Albuquerque, in Bernalillo County.

E3 stated that P&R did monitor the terms of the MOU to ensure compliance. E3 stated that P&R conducted an inspection of the field on December 27, 2022, but only received a verbal report for which no evidence was provided to the OIG. E3 indicated that another inspection was scheduled for February 2023 and that it would be documented. E3 stated that DCG scheduled events on behalf of the City and E3 will attempt to acquire the schedule of events. E3 indicated that the approval of the use of the field was delegated to the DCG for these events, with the full knowledge

of the City. E3 stated that P&R did not receive the 50 tickets to each home game. E3 stated that generally these were sent to the Mayor's Office although E3 never saw the tickets. E3 was told the tickets were provided, anecdotally, but could not recall who told E3. E3 indicated that DCG told E3 that the tickets were dropped off. When asked if E3 had ever attended a DCG game, E3 replied, yes, one game but that E3 does not recall if it was as a guest of DCG. E3 stated municipal employee attendance such as this would have been reciprocated between other municipal entities as well. E3 indicated that DCG is compliant with the requirements to provide insurance and the storage of the field. E3 was not sure how DCG targets City youth to ensure compliance with the MOU. E3 stated that E3 believes there is adequate monitoring of this MOU by P&R.

OIG inquired about whether the City has ever rejected Capital Outlay monies in the past based on limitations, restrictions, possible violations of law, or other reasons and E3 stated that E3 was aware that the City had rejected capital outlay monies previously.

An interview with E4 revealed that P&R was notified of state funding totaling \$160,000 to purchase artificial turf. E4 stated that P&R did not request the funding through the Legislative Council Services online portal. E4 stated that the owner of the DCG and A1 wanted the grant and that the Legislators were for it. E4 does not know who requested the Capital Outlay. E4 indicated that "it was no secret" who the field was for. E4 stated P&R wanted to make sure the City symbol was on the turf. E4 stated that P&R was told to procure the turf quickly. E4 did not think there was an expiration date issue. E4's role in the procurement of the artificial turf was to administer, and delegate duties for procurement, to obtain a PO. E4 stated that upon approval of the funding, the owner of DCG had only been working with a potential vendor from out of town. E4 stated that P&R had a local vendor and that E4 worked with the local vendor to obtain estimates. E4 approved the PO for an amount over \$160,000, the amount of Capital Outlay appropriated. The City's P&R was to cover the difference. E4 stated that there were two conversations with the owner of the DCG about purchasing the field now and that they would "figure it out later". There were concerns about where to house the turf. E4 stated that he was aware of a three-party agreement where in-kind donations would be provided by DCG to the City for the purchase, installation, and use of the field. The in-kind donations included the City hosting, and DCG allowing clinics and camps. These events for City youth would be scheduled with the knowledge of E4. E4 acknowledged that no events were scheduled between April 2021 and January 26, 2023. On January 26, 2023, E4 did indicate that events are being scheduled for the near future. E4 did not know if the 50 tickets were provided to the City for each home game or where they may have gone. E4 has not attended a DCG game. Initially, E4 stated E4 was not aware of potential violations but later E4 stated that E4 had heard that. E4 indicated that there were discussions that somebody is going to "eat it" and that E4 would have to "find the money". E4 stated that discussions over funding possibly included E5, E3, A2, and E6. E4 stated that every project E4 handles is under pressure to complete and to spend the monies within two years. E4 stated that this project had the added pressure to get the project done by the deadline which was the start of the Football season. E4 said there was no other rush. E4 said the pressure came from "everyone", including E3. E4 said that there was no direct pressure from A1 but that E4 knew A1 was a fan of sports and wanted this project done fast. This project was in an urgent mode once P&R received the Notification of Obligation. E4 said that this

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was the most unusual grant P&R had received. E4 stated that no Councilors were involved in this procurement. E4 does not know how the project was paid for.

During OIG's interview with E5, it was revealed that a request was submitted through the Legislative Council Services portal for State Legislature Capital Outlay for artificial turf playing fields. E5 did not know who submitted the request. E5 stated that the NM DFA approves the scope as written by Legislative Council Services and issues a Notice of Obligation. Once the Notice of Obligation is received, the respective department is notified and accepts the responsibility for procuring the goods as identified in the scope according to E5. E5 stated that after the procurement is complete, a request for reimbursement from Legislative Capital Outlay is submitted and NM DFA will request more information, deny or process the reimbursement. E5 stated that it is assumed that the signed agreement is enough to move forward with the purchase.

According to E5, NM DFA requested a copy of the three-party agreement and after their legal review of the agreement, denied the request for Capital Outlay funding for the purchase of the artificial turf because it would violate the terms of the appropriation and if CABQ were to use the funds in the proposed manner it would also violate the New Mexico Anti-Donation Clause.

Upon receipt of the denial letter, E5 notified the department of the denial of the request for reimbursement of Capital Outlay funding for the artificial turf playing field. E5 stated that E5 was not aware of what the artificial turf was to be used for or where. E5 also stated that E5 does not assume and that E5 relies on the department to tell them. E5 stated the receipt of the denial letter terminated E5's role in the process. E5 is not aware of any decision to pay for the artificial turf from other sources of funding or who may have made such a decision. E5 stated that the original purchase of the artificial turf coded to capital outlay has not been reconciled since April 2021 due to the line item being considered an unreconciled activity. Reconciliation will occur once the City has determined where to appropriately post the transaction. E5 was unaware if events such as this happen often, but E5 indicated that this is the first time E5 has seen this occur.

**Analysis:** The language for GO Bonds related to Parks and Recreation that was put before the City of Albuquerque constituents was as follows:

*“Shall the City of Albuquerque issue \$XX, XXX, XXX of its general obligation bonds to study, map, plan, design, develop, construct, rehabilitate, renovate, expand, furnish, equip, enhance and otherwise improve, and to acquire property, vehicles, and equipment for park and recreational facilities, including public parks and facilities within those parks, swimming pools, tennis courts, sports fields, other recreational facilities, open space, medians, bikeways, bosque lands, and trails?”*

The language is vague concerning sports fields, and other recreational facilities; however, it would be reasonable and prudent for a voting taxpayer to believe that any appropriations from these GO Bonds would be solely for the City of Albuquerque and its constituents and not for the benefit of another municipality or a privately-owned entity.

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The estimate provided by C1 included a statement that “The terms of this contract are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this contract. If sufficient appropriations and authorization are not made by the Legislature, the City of Albuquerque may immediately terminate this contract by giving Contractor written notice of such termination. The City of Albuquerque's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. Contractor hereby waives any rights to assert an impairment of contract claim against the City of Albuquerque, the Department of Finance and Administration, Local Government Division (DFA/LGD), or the State of New Mexico in the event of immediate or early termination of this contract by the City of Albuquerque or the Department.”

This language implies that the City was intending to use legislative capital outlay appropriations, knowing that the turf was to be installed outside of the City for private use and that the contract could have been terminated if appropriations were not approved. The City purchased the turf and subsequently requested reimbursement from the New Mexico Board of Finance. The request for the legislative appropriation was denied by the State of New Mexico’s Department of Finance and Administration because the description was incomplete and was not appropriately identified in the appropriation language. The perception that these transactions were deceptive and a misuse of taxpayers’ dollars appears to be based on the sequence of events as well as the lack of transparency in the language proposed to the constituents and in the request for reimbursement after the monies were already spent. Based on the contract language, the City had the right to terminate the contract but chose not to.

The requisitions, purchase orders, invoices, and emails indicate that City employees, a City Attorney, C1, and I1 knew the purchase of the indoor turf was for use by the DCG to be installed in the Rio Rancho Events Center, operated by Global Spectrum, L.P.

The 2022 Football Schedule reflects that the DCG plays all home games in Rio Rancho, NM, a separate municipality from the City of Albuquerque.

The OIG’s review of many of the emails from various parties revealed that this project was being rushed. This may have been a red flag that the City personnel should have slowed down to ensure proper procedures were being followed and that the purchase met all standards including state regulations.

New Mexico Attorney General opinion 1979 Op. Att’y Gen. NO. 79-07 states “Outright gifts to individuals are in violation of this section, and the fact that an appropriation may be serving a highly commendable public purpose does not exempt it from this constitutional prohibition.”

The master plan reflects that the field was designed and installed with “Gladiators” in each end zone, implying that this was specific for the DCG team, a privately-owned entity. Additionally, the master plan reflects the field was embedded with the phrase “One Albuquerque” in two locations. The City maintains rights of ownership for the portable artificial turf. However, even



if the field was relocated to a facility within the City, due to the embedded logos of the DCG, the City would be providing free advertising for the DCG, a privately-owned entity.

New Mexico Attorney General opinion 1959-60 Op. Att’y Gen. No 60-160 states “Municipalities without power to make gifts. - Municipal corporations are creatures of statute; they have only the powers with which they are invested by the statutes creating them. Powers of cities and towns are set out in 3-18-1 NMSA 1978. No power to make a gift of any kind is mentioned.”

The conveyance of the indoor turf specific to the DCG and installed in the Rio Rancho Events Center, operated by Global Spectrum, L.P., and owned by the City of Rio Rancho, totaling \$236,622.15 appears to be a donation/gift. Based on Attorney General’s opinion No. 60-160, municipalities do not have the power to make a gift of any kind. Although the City retains ownership of the turf, this urrf was made and designed specifically for the DCG.

New Mexico Attorney General opinion 1967 OP. Att’y Gen. No. 67-29 states “Section prohibits appropriations without consideration. – This section does not prohibit indirect aid or benefit to a private corporation; it only prohibits an allocation or appropriation of something of value without consideration to a person, association, or public or private corporation.”

New Mexico Attorney General opinions 1979 Op. Att’y Gen. Nos. 79-02 and 79-07 state “Donation” construed. - A donation within the meaning of this section has been defined as a gift, an allocation or appropriation of something of value, without consideration.”

The conveyance of the indoor turf for the DCG installed at the Rio Rancho Events Center appears to amount to a donation/gift as there is no evidence of consideration on the part of the DCG or the Rio Rancho Events Center to the City.

The field is located in the City of Rio Rancho and any proceeds or gross receipts tax on ticket sales, concessions, or merchandise are not benefiting the constituents of the City of Albuquerque. These types of revenues do provide a benefit to the constituents of the City of Rio Rancho. Based on opinion 1967 Op. Att’y Gen. No. 67-29, the sole use of the field by the Gladiators, a privately-owned entity, without consideration to the City of Albuquerque, would be a violation of Article IX, Section 14.

The OIG located a New Mexico Attorney General opinion related to the use of tax proceeds for a privately-owned facility that may be applicable because the DCG is a privately-owned team whose home field is located at the Rio Rancho Events Center. The Rio Rancho Events Center is owned by the City of Rio Rancho, a legally separate New Mexico Municipality with all legal authorities afforded to municipalities. Upon the denial of legislative capital outlay funding by the State of New Mexico, the City used GO Bond monies to fund the purchase of the indoor arena turf for the DCG. The legal opinion rendered as it relates to Article IX, Section 14 is identified as 1988 Op.

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Att’y Gen. No. 88-38 states “Use of tax proceeds to operate privately owned racetrack. – The City of Raton would violate the anti-donation clause if it spent lodgers’ tax proceeds to operate the privately owned La Mesa Park racetrack or to defer its expenses.”

The following statement to the news, by a City representative: “It’s a good benefit to support the Gladiator program, which benefits families and children in the entire metro area” deflects from the fact that the City’s expenditure totaling \$236,622.15 was utilized in another municipality for a private corporation.

In the Administration Question & Answer Period of January 18, 2023, City Council meeting, it was indicated that there was a lease receivable for the use of the field.

The OIG requested to review the written agreement for the lease receivable that was recorded in the books of record of the City and the OIG was advised, by the City’s Finance Department and the Parks and Recreation Department, that no accounts (lease) receivable agreement exists and that a receivable has not been recorded on the books of record for the City.

The OIG was unable to verify the claim made by E3 during the Council meeting indicating that the City contributed approximately \$74,000 while the state contributed approximately \$130,000. The records obtained from the City’s Finance Division indicate that the City paid for the total cost of \$236,622.15 and that there has been no reimbursement by the state of New Mexico.

The OIG sent an email stating, “Did the City record a receivable on the books of records for the cost of the turf installed at the Rio Rancho Events Center for the Gladiators? If so, can you provide OIG with the supporting documentation for this receivable? Have there been any payments made on this receivable? Do you have a written agreement for this receivable?”

In response to the above questions, the OIG reviewed the emails of those identified as having knowledge and discovered an email chain that included a response to the OIG stating “I did a quick Accounts Receivable (AR) search in the PeopleSoft system and from what I can see, there was not a receivable created nor do I recall there being discussion regarding a written agreement for a receivable.” This response was followed with “This was a request from the OIG. You are super\_ and always quickly responsive to requests. But in this case, I wish you would not have replied before consulting me. Essentially, “receivables” in this sense would be funds the City believes are still owed to the City by the state. We should let DMD/Capital Projects deal with that.” A subsequent email replying stated “The term “receivable” as I am used to using it absolutely threw me off. I defer to you, DMD/Capital to provide any additional follow-up response to OIG.”

In the OIG’s analysis of the above email chain, it is of concern that a selective application of the terms would be applied. The criteria of what constitutes the recording of a receivable should be the same and not based on what one party believes. This email chain may be suggestive of the

influence upper management has over its subordinates and that there is some deference to management where questions should be posed.

City Legal provided a response stating that the ultimate threshold analysis for a violation of Article IX, § 9 was one for the Inspector General to decide. For our analysis, the OIG reviewed previous New Mexico Attorney General opinions as well as the letter from the State of New Mexico Department of Finance and Administration referencing their Attorney's opinion as it relates to the City's purchase of the artificial turf installed in a facility in another municipality for use by a private entity.

The OIG was able to obtain sufficient evidence that the use of the City of Albuquerque taxpayer dollars, to pay for artificial turf installed in a facility located in another municipality for the benefit of a privately-owned entity, was a misuse of City funds.

### **OBSERVATIONS AND RECOMMENDATIONS**

**Observations regarding Allegation:** Based on the evidence obtained the OIG was able to substantiate the allegation that the purchase and installation of indoor stadium turf for the Duke City Gladiators violated Article IX, Section 14 of the NM Constitution. The OIG was able to substantiate that the cost of the turf totaling \$236,622.15, paid for by the City of Albuquerque, was a misuse of taxpayers' dollars.

**Management's response:** I disagree, and the City Attorney disagrees, with the statement that the purchase of the turf "violated Article IX, Section 14 of the NM Constitution" and that the purchase was "a misuse of taxpayers' dollars." Please see attached statement from the City Attorney. The purchase comports with the with anti-donation clause and does not meet the definition of "donation" as clearly established in New Mexico law.

**Recommendations:** The City should refrain from making purchases based on an anticipated or perceived revenue stream and should document its evaluation of each project to ensure that it is appropriate, cost-effective, legal, and provides a legitimate benefit to the City. For the sake of transparency, the City should make public the completed evaluation, signed and approved by the appropriate personnel.

The City should enter into an agreement with Global Spectrum, L.P., the operator of the City of Rio Rancho Events Center, and the DCG to recoup the \$236,622.15 of the City of Albuquerque taxpayers' dollars spent on their behalf.

The City should enter into an agreement for field advertisement with the DCG. The City should evaluate whether there is adequate consideration for the advertising and any tax implications of fringe benefits received by City employees.

**Management's response:** The statement that the City should refrain from making purchases based on an anticipated or perceived revenue stream" reflects a total misunderstanding by the OIG of how the state capital outlay grant process, as well as many other grant programs, actually work. These are almost always "reimbursable" processes in which the City expends funds and is then reimbursed. The City still anticipates being reimbursed by the State. The OIG's references to an "evaluation of each project" is unclear. Documents related to City purchases are already undergo multiple reviews by appropriate personnel and are readily available to the public.

The statement that the City "should consider an agreement. . .to recoup the cost of the turf" is certainly an option, but it is a one-dimensional view of the issue, only one of several alternatives, and not necessarily even the best one for the City and the public. The City has always stated its intention—as I reiterated in our interview—that the turf field's current location is temporary and that it will soon be located in Albuquerque where it could continue to be used to benefit the public in myriad ways. Also the statement that the "City should evaluate if an agreement with adequate consideration should be implemented for advertising..." ignores the fact the City currently has such an agreement that provides such consideration (the City receives sponsorship benefits worth \$65,000 per year). It is not necessary to "recoup" the cost of the turf field when the City is getting consideration for the use of the turf. This includes extensive advertising (sponsorship package and visibility), services that will benefit over 1,300 youth over the course of the agreement, field storage, and other benefits. A turf field's life expectancy is typically 10-15 years. At a ten year depreciation, the annualized portion of the turf's value would be about \$24,000. The City is receiving four to five times that value in consideration through the existing partnership agreement.

**Subsequent Disclosure:** On February 17, 2023, the OIG learned that the City Attorney's Office responded to an Office of the Attorney General's letter dated November 21, 2022 (the "Letter") concerning the City's agreement permitting the Duke City Gladiators to use an artificial turf playing field whereby their responses may create a conflict of interest between the City Attorney's Office and the Office of Inspector General.

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December 9, 2022

John Kreienkamp, Esq.  
Assistant Attorney General  
Office of the Attorney General  
P.O. Box 1508  
Santa Fe, New Mexico 87504-1508

**Re: Anti-Donation Clause and Albuquerque Turf Project**

Dear Mr. Kreienkamp:

The City of Albuquerque (“City”) received your letter dated November 21, 2022 (the “Letter”) concerning the City’s agreement permitting the Duke City Gladiators to use an artificial turf playing field.

**Background**

The Albuquerque Turf Project seeks to encourage youth sports in the greater Albuquerque area by using public funds to invest in an artificial turf and secure a facility in which youth activities can be held. By bearing the upfront costs of the artificial turf, the City was able to negotiate favorable terms for youth activities held at the Rio Rancho Event Center. *See* Exhibit 1, § 1(c)(4) [hereinafter “Agreement”] (stating “[a]ny expenses associated with . . . using the Event Center for these 14 uses . . . will not be borne by the City”).

With this plan in mind, the City purchased artificial turf on January 31, 2022, for \$160,000, with an additional installation cost of \$76,622.15, for a total of \$236,622.15. Exhibit 2, p. 3 [hereinafter “Purchase Order”] (evidencing the cost of the artificial turf and its installation cost via the purchase order). The City executed the favorable Agreement on April 25, 2022, and ensured the contract terms made it clear the turf belonged to the City, the use of the turf by other entities was temporary,

and that the City would receive consideration in exchange for allowing use of the turf.

### **Attorney General Inquiry**

- 1. It appears that the City may have entered into a written agreement or contract with the Duke City Gladiators and Global Spectrum, L.P. in connection with the Albuquerque Turf Project. Is this correct? If so, please provide our Office with a copy of the agreement or contract.**

Yes, the City entered into an agreement with Global Spectrum L.P., acting as an agent for the City of Rio Rancho (“Spectra”), and the Duke City Gladiators (“DCG”). *See* Agreement, p. 1.

- A. Does the agreement provide for the City to purchase turf that it would provide directly to a private entity?**

No, it does not. The Agreement permits a private entity to temporarily use the artificial turf until April 30, 2023, but is quite clear the City retains ownership over it. *See id.* (stating “the Parties agree that the indoor artificial turf field purchased with a combination of City and State Funds shall remain the exclusive property of the City”); *id.* § 1(a)(1) (specifying the permitted use is temporary); *id.* § 2 (limiting the Agreement to a specified term, the current expiration of which is April 30, 2023). Both Spectra and DCG are required to seek the City’s approval if the artificial turf is to be used by any party other than DCG. *See id.* §§ 1(b)(2), 1(c)(2). Under the terms of the Agreement, neither Spectra nor DCG have the authority to use the turf for any purposes other than those approved by the City. This is inconsistent with any assertion the turf was purchased for either of those entities and they now own the turf. It is consistent with the assertion the City owns the turf and allows private entities to use it in exchange for services.

- B. Does the agreement provide for the City to receive consideration in exchange for any aid provided to the Duke City Gladiators and Global Spectrum, L.P.?**

Yes, the City receives consideration under the Agreement. The Agreement requires DCG to support youth “activities by supplying players, coaches, and through other means as appropriate, subject to agreement between the City and DCG.” *Id.* § 1(b)(7). The Agreement requires DCG to give the City “50 free tickets per DCG home game, of which 25 shall be premium tickets.” *Id.* § 1(b)(12).

Spectra is required to make the Rio Rancho Event Center available for youth activities at least 14 days per calendar year at cost no cost to the City. *Id.* § 1(c)(4). While these activities would take place at the Rio Rancho Event Center, they would be selected by and be under the control of the City. *Id.* § 1(b)(7). With such control, the City retains the ability to ensure the activities benefit the public living in and around Albuquerque.

In effect, under the Agreement, the City is free to use the Event Center to host 14 youth activities per calendar at no additional cost to the City. Not only did the City negotiate for free use of the Event Center, but it also ensured these youth activities would be staffed by professional athletes and coaches to enhance and facilitate the events. The rental price alone on a similar space for indoor track & field meets costs the City \$7,500 per track meet. Exhibit 3, p. 12 (evidencing the daily cost of renting the Albuquerque Convention Center for an indoor track event).

**2. Has the City already expended public funds on the Albuquerque Turf Project? If so, what amount has been spent?**

Yes, the City has already expended public funds to acquire the artificial playing turf. The total amount expended is \$236,622.15. Purchase Order, p. 3. To date, no additional funds have been spent on the artificial turf.

**3. Do the agreement and the Albuquerque Turf Project, in the City's view, comport with the Anti-donation Clause of the New Mexico Constitution?**

Yes, the Albuquerque Turf Project and Agreement comport with the anti-donation clause. The anti-donation clause of the New Mexico Constitution forbids state entities from “directly or indirectly lend[ing] or pledg[ing] its credit or mak[ing] any donation to or in aid of any person, association or public or private corporation[.]” N.M. Const. art. IX, § 14. For purposes of the anti-donation clause, a “donation” is “a gift, an allocation or appropriation of something of value, *without consideration* to a person, association or public or private corporation.” *Vill. Of Deming v. Hosdreg Co.*, 1956-NMSC-111, ¶ 36, 62 N.M. 18, 303 P.2d 920 (emphasis added). “Any aid to private enterprise must have the character of a donation in substance and effect in order to violate the anti-donation clause.” *State ex rel. Office of State Engineer*, 2007-NMCA-008, ¶ 37, 141 N.M. 1, 150 P.3d 375 (citing *Village of Deming*, 1956-NMSC-111, ¶ 37) (internal quotation marks omitted). Consideration has also been found when a party takes action it had no duty to perform. *Battaglini v. Town of Red River*, 1983-NMSC-067, ¶ 10, 100 N.M. 287, 669 P.2d 1082.

The City receives valuable consideration in exchange for allowing the use of the artificial turf. In effect, the City allows Spectra and DCG to use the artificial turf for practice sessions and games in exchange for hosting and staffing youth activities 14 times a year at no additional cost to the City. From the City's perspective and assuming a comparable rental cost, this amounts to \$105,000 per contract year in event space rental costs alone. The investment in the artificial turf will start paying for itself during the third contract year. This is disregarding the negotiated for time of professional athletes and coaches to staff the events. Additionally, and minor in comparison, the City receives free tickets for DCG home games.

The City is already receiving valuable consideration in exchange for allowing the use of the turf. Since April 2022, twelve youth activities have already taken place at the Event Center, which has a value of approximately \$90,000 in rental costs alone to the City. Seven more such events are already planned through April 2023. Assuming the favorable deal the City has negotiated is not invalidated, the City is on track to recoup its costs for the investment in the artificial turf and to have a net savings for the conduct of the youth activities.

Spectra has no pre-existing obligation to allow the City to use the Rio Rancho Event Center for these youth activities at no cost to the City and DCG has no pre-existing obligation to support such activities by providing players and coaches for the activities or for providing the City with free tickets to home games. These obligations constitute consideration. *See Battaglini*, 1983-NMSC-067, ¶ 10. As the City receives consideration in exchange for allowing the use of the artificial turf, there can be no violation of the anti-donation clause.

The Albuquerque Turf Project and Agreement, taken as a whole, do not violate the anti-donation clause because of: the costs incurred for hosting youth activities which the City will not be required to pay; the temporary nature of the use permitted to Spectra and GCD; and the fact the City can terminate the Agreement for convenience with 60 days notice and still own the artificial turf which can then be repurposed. Neither the Project nor the Agreement have the "character of a donation in substance and effect" necessary for a violation of the anti-donation clause. The character of the Project and Agreement is better characterized as a rental agreement where the City is paid in services. The City not only receives consideration in exchange for allowing another entity to use the artificial turf, it has made an investment which in the long run will allow it to provide these youth activities at a cheaper cost to taxpayers. A careful investigation of the situation as a whole reveals the City found a way to provide these services to the public at a cheaper cost.



**4. Please attach to your response any other legal authority, facts or documentation that may be helpful in our inquiry into this situation.**

The City has no additional legal authority, facts, or documentation to provide at this time. If the City locates additional legal authority, facts, or documentation which would assist the Attorney General in this inquiry, the City will supplement its response accordingly. Attached to this communication are the Agreement, the Purchase Order, and an agreement for rental of the Albuquerque Convention Center for the 2023 indoor track and field events.

Please let me know if my office can be of any further assistance, if the Attorney General has any additional questions, or if there is any additional documentation the Attorney General would like to review.

Sincerely,

/s/ Alan V. Heinz

Alan V. Heinz

Managing City Attorney

City of Albuquerque

Enclosures:

Agreement Among the City of Albuquerque, the Duke City Gladiators, and Global Spectrum L.P.

Purchase Order

Use License Agreement for Conventions, Tradeshow, Public Shows and Meetings