

# **AURORA BUSINESS ADVISORY BOARD**

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Minutes of the Regular Meeting  
June 15, 2020

## **Board Members Present:**

Garrett Walls, Nosh Tarachand, Bob Fryberger, Regina Edmondson, Carolyn Pace, Alok Sarwal, Martin Liles, Chance Horiuchi, Hitesh Patel, Phillip Villard

## **Board Members Absent:**

Unexcused -

**Staff Present:** Elena Vasconez, Leslie Epperson, and Andrea Amonick

**Guest Present:** Steven Wright, Trevor Vaughn, Marcia McGilley

## **CALL TO ORDER**

Meeting called to order at 11:02 am by Garrett Walls.

## **APPROVAL OF THE MINUTES**

Mr. Walls –Tables approval of May Minutes until July meeting

## **PUBLIC COMMENTS**

None

## **COUNCIL CONTACTS**

Mr. Patel – CM Marcia Berzins – traded emails on the grant. He just back from out of town. He will reach out to her today.

Ms. Pace – CM Juan Marcano- had a long conversation with CM. Discussed different social actions. Discussed business deficit. It could be 40 million loss/year. Discussed different ideas for sales tax.

Ms. Horiuchi – nothing to report at this time. Working hard on the grants. Will follow up with CM Gruber later.

Mr. Liles – CM Bergan talked via email. Almost experienced a protest last weekend but they are private property, and you need a permit. They were able to stop it without incident.

Mr. Tarachand – CM Gardner - brief conversation re: grant program.

Ms. Edmondson – she talks with CM Hiltz every other Friday – They were supposed to meet last Friday but had to reschedule. Will meet this Friday. CM got out the information about the grants. They will connect Friday.

Mr. Sarwal has been in touch with CM Angela Lawson. Talked about health disparities with people of color. We work with all people, but ethnic people seem to be hardest hit.

Mr. Fryberger - CM Murillo, he has not had any contact with her. Find a better way to reach out to her. Ms. Pace volunteered to get them connected. Mr. Fryberger hasn't had a chance to connect with her.

Mr. Villard – no updates. Mr. Walls asked if he had reached out to CM Combs. Mr. Villard has not reached out to her. Mr. Walls asked if he could reach out to her by Friday.

*Outcome:* BAB members will continue to reach out to their Council Members and keep them up to date. Please stay in touch and maintain the connection.

### **IFC – Commander Wright**

Multi-family and auto repair shop are a few examples of Fire Code violations. Multi family dwelling things can turn quickly if the owner is not present. Vandalism. Responded to a medical emergency at the location. CM Gardner was there for a ride along and reported the condition of the life safety devices and that needed to be addressed. On Monday, the owner was surprised at the condition. Exit signs knocked down, fire doors removed.

Fire Department received an anonymous tip regarding an Oil Change company. The company received an order notice to stop business until they get things corrected. They were leaking oil everywhere and not properly containing it.

COA is under fire ban. Fire Ban 1 – prohibits sale and use of fireworks. Increase in call volume. Increase in Fires.

Other city departments have been asking for input on retail marijuana businesses ability to sell small butane lighters. Fire Marshall recommended to the other departments of the city that the businesses could sell the lighters. The Fire Department didn't have a problem with selling small lighters.

Ms. Pace asked what Commander Wright thinks about the city budget deficit. Is there any way to scale down safely?

Commander Wright – every department was asked to do an exercise where you cut 3,5,10% of the budget. It is difficult for the Fire Department at 95% of their costs are personnel – Fire fighters and civilians. We have not proposed any personnel cuts. Mayor Coffman, CM Gardner, CM Marcano went on a ride along with the Fire department. For the BAB – we will discuss in the last quarter of this year FD will expose a revenue generating idea. Fee schedule for inspecting commercial properties.

### **Trevor Vaughn, Manager Tax & Licensing**

Car Wash exemption was postponed. Mr. Walls asked Mr. Vaughn to explain.

Market place facilitator – 1<sup>st</sup> reading went through with unanimous approval.

Lodger's tax is going to finance committee on the 23<sup>rd</sup> to start the process. Denver is also looking at implementing this tax.

Car Wash exemption – management holding off for now. This tax was suggested before all the Covid stay at home mandates. In 2015 took a look at how the state courts were interpreting sales tax regarding rentals of equipment. Currently, you pay sales tax on a rental. Even though equipment is tethered onsite, still paying to rent the equipment on location. That is more of a rental than a service. Other cities actively enforce this – Thornton & Commerce City. Denver and the state allow an exemption as long as you paid use tax on the equipment. The city does not have that exemption. The businesses in Aurora are not paying the sales tax. The City sent out a letter regarding sales tax. The businesses got organized and went to City Council saying they don't agree with the interpretation of the law, and they don't feel they should pay sales tax. The car wash industry organized and went to council, and they don't feel they should have to pay sales tax. City council decided it was not the right time to start that enforcement. The council decided they could collect use tax and not have to pay sales tax. This would reverse that.

Feels that laundry mats do not apply – carwash is more of a discretionary service. This is done in some other cities. Presents challenges for business especially if they collect coins – coin operated. But that is a business decision and does not exclude them from collecting sales tax. Nothing specific right now. Mr. Vaughn doesn't know when this will come up again.

Mr. Villard – remembers the conversation in 2015 – requires car wash owners to add additional equipment for a very small amount of sales tax collected. Is the city council actually going to enforce this?

Mr. Vaughn stated right now the council is not looking at it. Around \$200,000 collected for this tax. There is no requirement that businesses add equipment because of this tax. It is a business decision on their part. Vending machines collect sales tax and amusement machines collect tax.

Ms. Horiuchi - \$200,000 how many carwashes do we have in Aurora? What are the penalties if approved?

Mr. Vaughn – does not know how many carwashes we have. Approx. 40 in 2015

Ms. Horiuchi wanted to know how many businesses it would impact. What would enforcement be:

Mr. Vaughn - Their business could be subject to a lien, could be seized to cover the tax debt.

***Follow-up Action: No Action items***

**Marcia McGiley – Update on SBDC**

Business services division – team of 6.

Concerns for the small businesses.

Paying employees

Accessing short term capital

Information on Resources.

There are 200 items listed on the website for resources for small business.

This is a marathon. It is not a sprint. Still spending time in the response phase. Next phase would be assessment. The Director is spending a lot of time on the assessment phase. We will stay in recovery phase for as long as we need to. It may be a year or year and half.

Our team has fielded hundreds of calls. 800 sessions of 1on1 consulting. 52 webinars. 935 attendees at webinars. Our goals have been met and exceeded for the year.

We are 100% remote. Incredibly high attendance. Very successful. We are reaching more people.

We brought on a new consultant – Claudia Yanez. Happy to have her.

Shifted from how to apply to these programs to.

When there is a recession, many people decide to start a business.

All services are being offered in English and Spanish. We are thrilled with that.

Currently Claudia has started a 4 week how to start a business Spanish language. Has 19 attendees.

City of Aurora and SBDC planned to be the lead sponsor of the ACPE expo originally scheduled Oct 29<sup>th</sup> at the Hyatt, Fittsimmons.

It will now be a virtual event. We will let you know when that happens.

Starting a resiliency series for small business for the new normal.

Currently applying for early childhood grant. Will be able to offer in the Spring of next year.

Ms. Pace thanked Marcia for all the support to small businesses.

**Update on AER Aurora Small Business Grant 2<sup>nd</sup> round**

Ms. Vasconez stated sending out rubric that was requested after meeting and the power point presentation of the workshops we are teaching just to give you an idea of what we are doing. We are having 6 webinars – 3 English – 3 Spanish.

Launched this morning. To help with the restart of business. Money allocated to help the community. Will provide grants up to 15,000 dollars. It will end June 22<sup>nd</sup> at midnight.

We will receive application. Then we will review applications. Then we will connect with small businesses. Start reimbursements. This is a reimbursement program. Businesses will submit and invoice and get reimbursed. For businesses really struggling, they can get a quote and the business can send in the quote the City will pay the vendor directly. This is a way for people to use the money for PPE, inventory, signs, remodel because of Covid. The eligibility is on the city flyer. Have to be located in Aurora and have fewer than 100 employees, have a city license.

Ms. Vasconez will send out the poster. In general, located in Aurora, business license, be in good standing. For nonprofit the main office has to be in Aurora. Have a City license.

We will use the application website from previous AER. There is a section on the application that asks how much you are going to spend – can't exceed more than \$15,000. You will turn in receipts. It will be processed quickly. The team is bigger also. 20 people will be reviewing applications. It will be a case management style. You will submit receipts to a case manager for reimbursement.

Mr. Walls stated that you can apply for this even if you applied for the 1<sup>st</sup> AER. You will not be disqualified. If you received PPP or EIDL you are not disqualified but you must use the money for a different thing.

Ms. Horiuchi – thank you for your help with questions. Suggest adding these tips to the website. For Example, you can apply even if you applied for round 1. Make this clearer on the website.

Ms. Vasconez she would communicate this with the team.

Ms. Pace mentioned that get a message out that we need to buy local so we can get the sales tax. Because it is easy to buy online it has become a habit. Make people aware to buy local.

Ms. Amonick stated that is an exceptional goal. We will talk to the communication staff. We can't require it. Great idea to get people to buy local. We will put this out through communications.

Ms. Pace wanted to know why you can't use the money for the same thing you used for PPP.

Ms. Amonick explained double dipping – passed down from the federal government.

Mr. Walls – make-up of the selection committee? Speak to the diversity of the committee.

Ms. Amonick – because we are working on getting this money out faster, people will be self-certifying. If you are eligible and meet the criteria, you will get a grant. Last time we asked for so much information it slowed the process down. Council has asked for a quicker process. A number of people will be reviewing the grants. Tax and license will review first to make sure they have met the requirements. Then the 2<sup>nd</sup> review will be do you meet the requirements of what you submitted. People from Pro's, community development, this is a different group reviewing. The development staff is part of the team to review. This is a reimbursement. If you don't have the money to do this, submit the invoice and the city will cut the check to you so that you can pay the invoice. We will not be paying the invoice directly. The W-9 will be from the business owner – not the vendor. It is a much larger team of staff. As long as the expense is eligible, as long as you don't go over what you were awarded for your grant. Up to \$15,000 max.

Mr. Sarwal – would there be any considerations based on how much tax the business has paid in the past.

Ms. Amonick – this is for recovery. As long as the business is meeting the requirements, then they should get the money. Nonprofits will need to have an Aurora address. We want to know if you have been servicing Aurora citizens. A lot of emphasize on what you have lost. You will self-certify of the impact of Covid on your business. You will need detail.

Mr. Sarwal – at some point will you stop taking applications.

Ms. Amonick – application is open for a 7-day period – midnight on the 22<sup>nd</sup> it will end – no more applications accepted. This will service a lot more people. As we run out of money, we will go back to the city council for additional resources.

**Business Award Presentation suggestions**

Mr. Walls would like volunteers that would like to suggest some ideas for the Business Awards instead of a dinner.

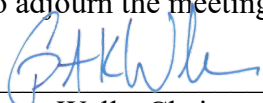
Break out into a sub-committee to discuss. Then present in July meeting.

Volunteering – Ms. Edmondson, Ms. Horiuchi, Mr. Villard, Mr. Tarachand

*Mr. Walls will send out invite.*

Mr. Walls moved to adjourn the meeting at 12:15 pm.

APPROVED:

  
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Garrett Walls, Chairperson