

AURORA BUSINESS ADVISORY BOARD

Minutes of the Regular Meeting
Monday, July 25, 2022

Board Members Present:

Mr. Walls, Ms. Horiuchi, Mr. Boyd, Mr. Liles, Mr. Patel, Mr. Fryberger, Mr. Sarwal, Ms. Pace, Ms. Reding, Ms. Fender, and Ms. Woodson

Board Members Absent: None

Council Members Present: Mayor Mike Coffman

Staff Present: Elena Vasconez, Trevor Vaughn, Andrea Amonick, Kevin Hougen

Guest Presenters: Jeffrey Edwards

CALL TO ORDER

Mr. Walls called the meeting to order at 11:04 AM

APPROVAL OF THE MINUTES

May 16 Minutes Mr. Walls moved to approve without objection, Ms. Horiuchi Seconded

June 27 Minutes Mr. Walls moved to approve without objection, Mr. Sarwal Seconded, Michelle Reding abstained since she was absent.

BAB BUDGET

Not reviewed or discussed at this meeting

PUBLIC COMMENTS

No comments

Mayor Mike Coffman

- Aurora Police Department Interim Chief Dan Oates is reestablishing the DART Team, a specially trained team of law enforcement officers responding to specific calls. They specifically make arrests for individuals with outstanding warrants and those involved in habitual motor vehicle thefts or violent crimes. There will be two teams of 12 officers who will focus on the entire city.
- Mandatory minimum sentences for motor vehicle theft passed through an Ordinance. First-time offenders will be given 60 days and 120 days for those with multiple offenses. Mayor Coffman noted that this would reduce not only motor vehicle thefts but also criminal activity since offenders use the stolen vehicles to commit other crimes.
- Douglas County is exporting unhoused individuals to Aurora and Denver. Mayor Coffman talked to Sheriff Spurlock of Douglas County, who mentioned that 15% of his jail population

are unhoused. He said that he does not want to put them back on the street in Douglas County since the County Commissioners have not provided shelter. The Sheriff feels putting people back on the street will cause them to re-offend and be sent to jail again. Sheriff Spurlock plans to send the unhoused to organizations and nonprofits in Denver and Aurora. Mayor Coffman pointed out that nonprofits are contractors for the city, and those are city-funded programs. He talked to Abe Laydon, the Chair of the Douglas County Board of Commissioners, who said he would set up a working group to make recommendations to the Commissioners. Former Mayor Bob LeGare is representing Aurora in the working group. However, Mr. LeGare stated that the working group is not being fruitful. Mayor Coffman stressed that what Douglas County is doing is unacceptable to him and the residents of Aurora.

- Aurora is still waiting for the arrival of the 30 pallet shelters to be made available for the unhoused population. Currently, they have ten beds reserved at the Comitis Crisis Center for encampments. Half are being utilized while half are not. Mayor Coffman mentioned that it is unfortunate that not everyone is taking advantage of the services. He added that there are concerns about property crimes associated with encampments. A significant encampment initially located on the North side of Mississippi has formed on the South side. CDOT put up a fence on the North, and Mayor Coffman will also request a fence on the South. Mayor Coffman added that he would be talking to staff regarding the encampment.
- Havana BID had a great meeting with retail restaurant owners. There will be another meeting with dealerships on motor vehicle thefts. There will also be a follow-up with a focus on retail theft.

Mr. Walls mentioned that the Havana BID (Business Improvement District) voted on Thursday to create quarterly meetings. They will arrange the schedule before publishing it. He added that he or Ms. Vasconez would send a press release for the nominations and requested Mayor Coffman to make the announcement at tonight's City Council Meeting.

Mayor Coffman said that the announcement could be at the next Regular Meeting on August 8th.

Mr. Walls said the nominations close at the end of the month. He requested Ms. Vasconez to send out a blast to the other Council Members to remind them of the opportunity to nominate their favorite businesses.

Mayor Coffman agreed to make the announcement and requested more details to put the announcement on his Facebook page.

ACTION ITEM: None

Licensing – Trevor Vaughn

- After a reorganization in the Finance Department, Mr. Vaughn took over the Marijuana Enforcement Division. Tax and Licensing will be separate divisions, with Jeff Edwards becoming the Division Manager of Tax.
- Ice Cream trucks passed City Council unanimously. The webpage describes the requirements to operate a mobile ice cream truck in residential areas. Only a general business license and compliance with the requirements are needed. A special license is not required. The operators are required to have commercial general liability insurance.
- The liquor store spacing reduction from 2,000 feet to 1,500 feet to match the state law passed.
- Currently, there are 15 fireworks vendors. Stands are usually affiliated with bigger companies that provide fireworks, such as TNT, Fan and Fireworks, Jurassic Fireworks and Davey Jones. These companies collaborate with nonprofits to run stands which helps nonprofits make money. People think that illegal fireworks may be getting sold at the stands. However, those businesses do not want to risk their ability to sell fireworks within the state

and are already making a lot of money off selling legal fireworks in Colorado. Due to this, it is unlikely that those vendors are selling illegal fireworks. The Fire Department also has spot-checked those stands. Mr. Vaughn noted that the vendors would tend to make the packaging more exciting than the actual fireworks. The packaging may have contributed to people thinking that they are fake. He also mentioned that some cited individuals stated they got their fireworks from a local stand, despite being out of state.

- Denver put in place a catalytic converter proposal to reduce catalytic converter theft. Denver requires that catalytic converters be treated as second-hand or pawnshop property, ensuring they are reported through a system called LeadsOnline. LeadsOnline is an electronic reporting system that goes to the police department and gets used statewide as a source of information for catalytic converters. Senate Bill 22-009 also addresses this and requires companies buying catalytic converters to keep records of purchases. However, those are not required to be reported to LeadsOnline according to the Bill, this has limited value because they keep the records but not reporting it online. A year ago, Aurora required one of their scrap metal dealers, they have very few, if they were going to buy catalytic converters for more than \$30 each to report catalytic converter purchases to LeadsOnline. There may be upcoming ordinances that propose clarifications in the code that affirms this direction and encourage other jurisdictions to do the same. To me sure the part was not stolen, the system requires records of who brought the item in, type of car, license, and identifying serial numbers.
- There have been reductions in prices and demands in the marijuana industry. Despite demand increasing substantially during the pandemic, it has now lowered. There is also an oversupply of production from other States that have legalized it. Aurora currently has six retail outlets per ward which, so there is less risk of shakeout in retail. Currently, Aurora has 21 cultivations, previously 22, but one surrendered a license. Several are expected to cease operations due to the pressures of pricing and over production.
- The Sales and Use Tax Simplification System is a centralized system aiming to make tax remittance easier for businesses, especially those reporting to multiple jurisdictions. However, the system is substantially deficient and needs work to be user-friendly and efficient in providing information. The integration project started in late 2020, but it has not gone live yet. This is a big topic in the Simplification Tax Force, an interim legislative committee focusing on certification measures.

Mr. Walls welcomed Mr. Edwards to the BAB and asked for additional tax related information **Mr. Edwards** said he was excited to be in the meeting and willing to help. He has no additional information.

Mr. Walls said he would ensure that Mr. Edwards gets the meeting invites.

ACTION ITEM: *None*

Update Arts and Entertainment Study – Andrea Amonick

- Mr. Walls and Ms. Fender presented to the Planning Economic Department (PED) Policy Review Committee. They received unanimous support to move forward to Council to request funding for a study to evaluate the feasibility of creating an arts center. Internally, Andrea Amonick will be primary contact. This issue has been looked at in the past and the issue is that Arts and Entertainment facilities usually require a great deal of public subsidy, even if they are privately owned. The proposed study will examine the best locations and the best model for Aurora. The study will be quite broad.
- A subcommittee is proposed to exchange ideas and culminate them into a presentation for a Council Study Session in the fall. The study will take a minimum of three or four months

once funding is received. The study can cost around \$100,000 to \$150,000 as they need to do financial feasibility and study different locations and models. The subcommittee will start at the beginning of August to get the scope of work approved. Ms. Amonick said they should try to get someone on board to allocate funding from the 2023 budget.

Ms. Amonick suggested the BAB committee meet with Mindy P and Daniel K to ensure everyone is on the same page. She added that this would include information collected about plans city-wide, evaluation of locations, and public engagement feedback.

Mr. Walls stated that he, Ms. Fender, and Ms. Woodson are interested and asked for additional volunteers.

Ms. Pace expressed her interest in joining the subcommittee.

Ms. Amonick mentioned that information must also include the events the center will predominantly facilitate, that will guide how large the center will be and the subsidy needed.

Mr. Walls indicated, for purposes of the minutes that Marti Liles and Joel Boyd joined the meeting. He reiterated that they are asking for volunteers to participate in a subcommittee that would interphase with Ms. Amonick and other city members. This sub-working group within the BAB will help disseminate information.

Mr. Boyd expressed his interest in joining the subcommittee.

Mr. Walls restated that he has Mr. Boyd, Ms. Pace, and Ms. Woodson signed up.

Ms. Amonick said that it is a good core group. She added that there would be a virtual meeting at the beginning of August to ensure everyone is on the same page with the wishes of the BAB and city policymakers' needs.

Mr. Walls said Mr. Patel might join the committee to represent Ward II for CM Sundberg.

Ms. Woodson said that she would also like to join. She mentioned that she would be able to participate in the meeting in early August, but she also plans to be out of town in the same month.

ACTION ITEM: *Establish August meeting between city staff and BAB members*

OUTCOME: *Subcommittee Mr. Walls, Ms. Fender, Mr. Boyd, Ms. Pace, Ms. Woodson, and Mr. Patel*

2021 Business Awards Nominations – Elena Vasconez

- The 2021 Business Awards Nominations application ends on July 31st. There are 30 nominations from restaurants, breweries, nonprofits, and educational institutions. Ms. Vasconez mentioned that they would like to see a wider variety to be more inclusive. They hope to include retail and manufacturing. She requested that members of the BAB help spread and promote the awards. She mentioned that members could also nominate businesses by answering questions about why they think the business they are nominating deserves the award. She added that the committee would decide on whom to award after interviews with the nominees. **Mr. Walls** requested Ms. Vasconez to send out the email with the press release.

Ms. Vasconez agreed.

Mr. Walls requested to include Mayor Coffman and Kevin Hougen from the Aurora Chamber of Commerce on the mailing list. He mentioned that 30 is a great number and might be a record high for business nominations.

ACTION ITEM: *Ms. Vasconez will send the link for BAB Award nominations to Mayor Coffman, Mr. Kevin Hogan and all Board members*

Draft Ordinance-Fee Tax Exemption – Jeffrey Edwards and Garrett Walls

- CM Zvonek was not able to join the meeting, so Mr. Edwards and Mr. Walls presented the draft ordinance.
- That state requires a pass-through delivery fee for anything delivered to a retail location or a home to be itemized on the receipt for the consumer. Within Aurora, those fees are subject to city tax. The proposed ordinance will state that any government fee imposed by the city of Aurora, the state of Colorado, or the Federal Government to the purchaser would be exempt from the fee from Aurora city sales tax. The legislature uses the term " fee " to get around TABOR and put tax increases out to the general population. The proposed ordinance will prevent the city from essentially taxing a tax.

Mr. Walls asked if other fees are being passed through that have been subjected to sales tax within the city besides the delivery fee.

Mr. Edwards this is a specific exemption for government-imposed fee imposed directly on a purchaser. He indicated that there is another pass-through fee, the waste tire fee, which is a state fee imposed when purchasing a tire. It is a set dollar amount per tire.

Mr. Vaughn stated that the proposed ordinance is specific to fees imposed by the government on the purchaser and for fees imposed on the business that might get broken out on a receipt. For example, the destination market improvement fee is a fee imposed on the business, it is still considered part of the purchase price and the tax would still apply to those even with this ordinance, before the tax is calculated.

Mr. Walls asked if CM Zvonek is aware of this caveat.

Mr. Vaughn said yes.

Ms. Woodson asked if Aurora is set to implement an additional \$0.10 on bags starting in 2023.

Mr. Walls said this is correct. He mentioned that they had several discussions about the implementation phase for that senate bill.

Ms. Woodson mentioned that customers do not have a choice of opting out of a bag when they purchase marijuana from the store. She stated that Denver created an exemption for this additional \$0.10. She asked if this has been discussed in Aurora.

Mr. Vaughn said that he is not sure where that regulation is and would be happy to further talk about it.

Ms. Woodson said that she will find it and send it to Mr. Vaughn offline.

Mr. Walls mentioned that during the Study Session, CM Zvonek said that this ordinance will also cover the bag fee.

Mr. Vaughn confirmed this.

Ms. Pace stated that they also talked about providing relief for restaurants as they may not be able to purchase Styrofoam containers anymore and use some of the revenue generated to help those restaurants. She said that she wants to start talking about this topic with Council Members to try to get relief for industries that need to give out a bag.

Mr. Walls said that he was going to follow up with Ms. Pace to see if they can pick that discussion back up. CM Lawson asked for an update on this. Mr. Walls added that he is ready to help.

Mr. Hougen said that he has been talking to Colorado Sentinel and the Denver Gazette. He added that not a lot of Chamber of Commerce members spoke up about these new fees. He has not heard any negative comments. He said that there are concerns about fuel and inflation but have not heard complaints from restaurants or retail.

Mr. Walls stated that the ordinance is being fast-tracked and is set to go on Study Session next Monday. CM Zvonek mentioned that he would like the BAB's comments, opinions, or suggestions on this given that they are directly tied to the BAB Community. Mr. Walls and Ms. Vasquez will draft a memo depending on the position of the board. They will include relevant comments for the discussion at the next Study Session. This memo, including a recap of the vote,

the discussion, and a general summary of the ordinance, will be sent to the board members and CM Zvonek.

Mr. Boyd said that a memo that summarizes the ordinance and the fee tax will be helpful to retailers.

Mr. Walls said that the letter of support to be drafted will include a summary of the ordinance and the position of the BAB.

ACTION ITEMS: Mr. Boyd made a motion to support the Draft Ordinance, Seconded by Ms. Reding, passed unanimously. Mr. Walls will send a letter of support.

Chamber of Commerce Update – Kevin Hougen

- Small and large businesses are waiting for more information on the Family Leave Act that the state passed. The money is set to be collected in 2023 and will provide 12 weeks of paid time off. I am unsure if the paid time off can be taken before the money is accumulated. The federal leave is still available, but this is unpaid and there are rumors Congress want to change to a paid leave. Businesses are looking at the Family Leave Act as an expense and replenishing the unemployment insurance tax in 2023.
- Another bill passed requiring small businesses with five or more employees to offer a retirement fund, however they do not have to fund it.
- Brick-and-mortar stores are suffering in the Aurora Metro Area and having difficulty competing against delivery-based businesses such as Amazon.

Mr. Hougen asked about an update on how much in sales comes into the city by mail versus brick-and-mortar.

Mr. Vaughn said this question would be better for Bob Oliva, the city’s Retail Development Specialist, as he has a better handle on the industry trends and can provide more data. Mr. Vaughn added that he had not seen noticeable changes from brick-and-mortars on requests for licenses and liquor licenses. He said that they still do see a fair amount of construction. New bills to be introduced through the General Assembly will affect retail strongly.

Mr. Boyd mentioned that traffic patterns are higher than last year in the town center, and there are more visitors to the facility. Last year, there were 40,000 visitors a week. Currently, they are doing 50,000 to 55,000 visitors. He mentioned concerns about finding good employees and keeping up with inflation. He added that there is a struggle to keep housekeeping and security. They had to raise rates to \$80 per hour to stay competitive. He mentioned that there are plenty of options for security and police, such as in warehouses and malls. Mr. Boyd stated that CM Zvonek came up with an ordinance to address motor vehicle theft concerns. He pointed out that the new ordinance will not apply to juvenile auto theft because it is the state’s issue.

Mr. Hougen

- The National Association of Counties (NACo), which included county commissioners, was at the Gaylord last week. They expressed concerns about daycare and its effects on economic development. Buckley Air Force Base has two daycare centers that they cannot manage as the cost is high. They are paying staff \$20 per hour and are charging \$30 per hour. About 20% of the women workforce have not returned to work due to a lack of affordable daycare. There is a grant from the Community College of Aurora to look at possible sites such as the town center, the old citywide bank on Colfax, and the former Salvation Army Facility on Peoria. However, there are concerns with the former Salvation Army Facility due to asbestos.
- Hospitals in Grand Junction started a foundation so they could have 100 slots for daycare. Grand Junction, a smaller community, has over 4,000 daycare slots available.

- A new bill that passed onto the General Assembly allows companies to invest into an account that could help a young employee with a 10% down payment on a home. There are also savings plans such as the 529 college scholarship fund, where companies, and individuals put money into for a house down payment. That passed a few years ago but very few people are taking advantage of this.

Mr. Sarwal stated that it is interesting to hear that small businesses are struggling to compete against Amazon. He said small retail businesses must include delivery and shipping to stay financially viable. He mentioned restaurants like PF Chang's that started smaller square foot operations for pickup and delivery. He asked if there are training opportunities for small retail businesses to learn how to enter a pickup and delivery business. He stressed that many companies are shutting down because they are not capable or knowledgeable about this.

Mr. Hougen mentioned that Amazon provides training on how to do pickup and deliveries through Amazon. He added that it is a great internal training program that is almost all online. They offer training on how to do business, how to get into logarithms, etc. He pointed out that the only small drawback is that they only provide training on how to do it with Amazon. He said that he would find more information from Amazon on when they conduct the training.

Mr. Walls said that they have the SBDC as a resource. He mentioned they had a webinar on pivoting your businesses to delivery. Their counselors are familiar with helping transition businesses to delivery models and give information on financials, licensing, and training. He asked that others encourage businesses to sign up with the SBDC since the counseling is also free.

Mr. Boyd said they use the United Way United for Business which offers similar services in multiple languages.

ACTION ITEM: None

COUNCIL CONTACTS

Council Member Jurinsky - Ms. Horiuchi

Ms. Horiuchi invited everyone to the At-Large meeting in August. Further information regarding the time and location will be provided once available.

Council Member Lawson – Mr. Sarwal

Mr. Sarwal exchanged emails with CM Lawson. The minutes were sent after they were approved. They plan to meet soon.

Council Member Zvonek – Mr. Boyd

Mr. Boyd applauded the organizers of the 7/20 Celebration on the Municipal Center Lawn and the events throughout the weekend.

Council Member Bergan – Mr. Liles

Mr. Liles discussed with CM Bergan regarding residential growth in their ward. E-470 conducted a water pipeline parallel to the E-470.

Council Member Coombs – Ms. Reding - no updates

Council Member Marcano – Ms. Carolyn Pace - no updates

Council Member Medina – Ms. Woodson - no updates

Council Member Murillo - Mr. Fryberger - no updates

Mr. Hougen

- There is going to be an upcoming ballot initiative will allow grocery stores to sell wine. This is going to affect our small businesses.

Ms. Reding mentioned that the wine would be part of the ballot initiative that is set to pass. The alcohol industry is preparing for this as well.

Mr. Walls stated that the Colorado Licensed Beverage Association (CLBA) is taking a position on the ballot initiative. He mentioned that he looks forward to it being a full campaign.

ANNOUNCEMENTS

Mr. Sarwal recognized the hard work being done by the communities. He mentioned they attended the Dragon Boat Festival and set up a booth. They are also planning to attend the upcoming Aurora Festival.


Ms. Pace announced that she is back in Colorado after a ten-month sabbatical. Mr. Walls welcomed her back.

Ms. Horuchi thanked the BAB members who attended the Havana Street Global Market last July 16th. She announced that there would be another event on July 30th at the Havana Exchange Shopping Center from 10 AM to 2 PM.

Mr. Walls thanked the members of the BAB for being active in disseminating information, responding, and supporting each other's events at the Southlands, Havana BID, and Town Center. He mentioned that they are a unique committee of the City Council, and he is proud to be serving with everyone on the board.

Mr. Walls moved to adjourn the meeting at 12:36 PM, Ms. Reding seconded.

APPROVED:



Garrett Walls, Chairperson