

AURORA BUSINESS ADVISORY BOARD

Minutes of the Regular Meeting
April 19, 2021

Board Members Present:

Garrett Walls, Regina Edmondson, Michele Redding, Hitesh Patel, Nosh Tarachand, Alok Sarwal, Bob Fryberger, Chance Horiuchi

Board Members Absent: Carolyn Pace, Martin Liles,

Council Members Present: Council member Alison Coombs

Staff Present: Elena Vasconez and Andrea Amonick

Guest Present: Commander Steven Wright, Trevor Vaughn, Kevin Hougen

CALL TO ORDER

Mr. Walls called the meeting to order at 11:02am.

APPROVAL OF THE MINUTES

Mr. Walls moved to approve January minutes.

Ms. Edmondson seconded.

No objections: minutes approved.

Mr. Walls moved to approve February minutes.

Mr. Tarachand seconded.

No objections: minutes approved.

PUBLIC COMMENTS

None

Kevin Hougen, Aurora Chamber of Commerce

Restaurants are in the blue area and starting to reopen.

Remember to Shop Local.

New Aurora guide is out, good pictures of our City Council with their contact information. Magazine is about art, culture, libraries, and museums in Aurora. Also, events, dining, and lodging.

The Chamber has a new paid apprenticeship program. Partnering with the CO Department of Labor. This is a program that was started by Governor Hickenlooper. He went to Switzerland to look at the program, and this one is modeled after that.

The chamber is working with Greg McDonald, Heritage Christian Center. We're working on a partnership, an internship program for our young minority students.

The Chamber's awards banquet will be later this fall. Who we're going to be honoring this year is a little different. First responders, those people who are in our community that are all upfront; working on the unemployment lines, restaurants to our hotels. So those behind the scene, workers that are really the heroes in our community.

Appreciate all your work to keep our businesses flourishing here in Aurora.

Mayor Mike Coffman

The Mayor is unable to attend today. But has sent a note to the board.

Mr. Walls will read the note:

Dear Aurora Business Advisory Board,

I'm very sorry, but I feel the need to attend the funeral for the boy who was on life support following a tragic incident where he was trying to follow a challenge on social media. The family decently decided to end his life support. I just learned over the weekend, today is the funeral. I know the father an Aurora small business owner from my involvement with the Ethiopian community. What I wanted to discuss before the group today was that in my conversations with Dr. Douglas from the Tri County Health Department, and Governor Polis is that the end is coming on COVID related restrictions for businesses in Aurora. The statewide restrictions ended on April 16 on Friday, and the county level restrictions are scheduled to end for Arapaho and Adams counties on May 16. Douglas County has already ended their restrictions via a vote by their county commissioners. What could change this is not a surge of infections, but simply the capacity for our hospitals to care for the critically ill. I'm looking forward to the next meeting. And again, I'm sorry not to be with you at this time. Mayor Mike Coffman.

Council Member Coombs

Council member Coombs gave a power point presentation on amendment 64 – options for Hospitality businesses or Social Consumption marijuana businesses within city of Aurora. If you have any thoughts or concerns, reach out to CM Coombs. *Please see attached power point for details.

Mr. Walls asked about the timeline.

CM Coombs stated that in their last meeting they asked staff to draft portions of an ordinance around air quality requirements, setbacks specifics as far as zoning, the number of licenses for hospitality and sales – to go to study session in May and then council.

Mr. Walls wanted to let CM Coombs know that he has witnessed one of the mobile buses in Denver and they had just been to a dispensary and were now stopping at a bar. So, there is double consumption and then the buses aren't taking people home. So, people are driving.

CM Coombs for the BAB just wanted to know how this may impact businesses. Do you have concerns or issues as far as health and safety?

Ms. Redding wanted to know if people can determine the level of intoxication for driving a vehicle while impaired by marijuana.

CM Coombs answered no, not in the same way you can for alcohol.

Mr. Walls asked for Mr. Sarwal's opinion.

Mr. Sarwal stated he needed more time to understand this a little more.

Trevor Vaughn, Manager of Tax and Licensing

Updates:

Covid Restrictions are loosening reducing our workload as far as dealing with complaints.

Destination sourcing, where the state currently allows for small retailers to use their location as the location to source for sales tax, that safe harbor will be going away July 1. The state sent out a notification that when you ship something to another location within the state, and it's subject to sales tax, you'll need to source it at that location and file sales tax for that and collect sales tax for that location. And the good news is, you can file for all the state collected jurisdictions in one location.

Many of the local cities are now set up on the standard centralized sales and use tax a simplification system, which will allow for filing for home rural cities on that site as well.

If you don't have any other physical presence in a city, you won't need to pay for that city business license. You will get a free license or a free tax account. If there's no other physical presence with the city, a full business license is not required, we do want the businesses to register with us, if they're going to have more than one delivery. So that we can set up an account for them, attribute

that they collected sales tax, verify that they collected sales tax, and have a place to put the sales tax.

Aurora is still working on its integration with the state sales and use tax simplification system. It's a new system, it's less than a year old. We expect to have that up and running by June 1, so that businesses can file on that centralized portal.

We expect to be online by the time that destination sourcing safe harbor goes away.

The city did pass an exemption for medical care products. The effective date for that is on June 1.

We're sending out a text notification today to everyone that has a sales tax account with the City to let them know that those products are now exempted, just like they are in Denver.

The lodgers tax exemption modification will also be effective June 1. That's limiting the lodgers tax exemption to just natural persons instead of businesses. We did put out a new tax guidance for lodgers, businesses that collect lodgers' tax, and that's on the website, too. There's a cleaner guidance with an FAQ and some examples that'll help people navigate how all that works.

As far as our division, we had a new system that we put into place. We switched over for liquor licenses and supplemental licenses to Accela. We're moving to more of an electronic basis rather than, paper based; people had to send in checks, and they had to send in the forms. And now we're going to push people to set up a login. And the licensees can then interact with us electronically and fill out and submit those forms electronically and pay to state electronically.

For the future, I'll be bringing forward to you an ordinance for some language cleanup in our tax code. We make notes, particularly as taxpayers comment on this isn't particularly clear or this section isn't meeting its intended purpose. So, we're thinking about running an ordinance for council consideration to clean up some of that language and just continue to improve it.

Mr. Walls asked if there are workshops planned to educate citizens on the new procedures and wants to address the equity part of that. There are business owners who may not be tech savvy.

Will there still be a way to use paper forms and mail in the forms and payments.

Mr. Vaughn replied that there are quarterly workshops that are done with the SBDC that are free.

The state has some online education classes. If people are struggling, they can call or email us or go to an accountant.

Ms. Horiuchi – Some of the classes are on the BID calendar. Are there others scheduled? There are a lot of businesses that are confused. She would like to get those dates on the calendar sooner rather than later so the businesses have more notice and can plan ahead.

Ms. Vasconez said she would send Ms. Horiuchi the dates.

Mr. Vaughn continued; as far as the liquor licensing information goes, I would say in general, our businesses over 90% have that savviness or they work with accountants. We do allow some paper filings, but they still need to come out of our tax system. And we try to continuously improve that. We really have tried to push people electronically. We just have better interactions; we have contact information - the businesses have to keep it updated. I think a majority of people have adjusted to that. I believe it is a small percentage that hasn't.

Ms. Vasconez asked Mr. Vaughn for a point person that could be called when SBDC receives phone calls asking for help with taxes.

Ms. Horiuchi would like to put a contact person with the classes on the BID calendar. Businesses are struggling and it is very confusing.

Mr. Vaughn replied Auroragov.org/tax is the website, 303-739-7800 is the phone number, tax@aurora.org.

IFC – Commander Wright

The majority of fires in the city of Aurora occur in a single-family home. And the majority of fire deaths in the city of Aurora occur in a single-family home. So, I previously mentioned to this group that the fire department was going to tackle a project in 2021; To see if we wanted to present to city

council the last quarter of this year, requiring developers to have sprinklers installed in newly built single family homes. My research has shown that the average cost per square foot of newly built single-family home was \$114 per square foot. And the average cost of a sprinkler system in a single-family home is \$1.35 per square foot. So roughly 1% of the cost of the home. Sprinklers have proven to absolutely save lives. Now, the point of this project and the point of talking to this group is trying to decide and research if cost versus risk and reward is worth it to the citizens of Aurora. I have set meetings with the major developers in Aurora; Richmond Holmes, Dr. Horton. I've met with Richmond and they are (I'm going to use my words) apathetic towards subject. I don't think they care one way or the other. They're a national builder. And there are places where they build where it is required. And then there are places where they build where it's not. These large builders even offer it as an option where the homebuyer can choose it on their own. They didn't have much of an opinion on it, to be honest. It was more that if the city of Aurora required it then they would build that way. I'm still going to meet throughout the course of this year with the major developers in the city to get their perspective. And there will be a presentation of public safety the last quarter of this year to present that committee with our findings and our recommendation. Thank you for your time, as always, thanks for having me.

Mr. Walls wanted to mention I like that you're going down the developer route and getting the business owner perspective, their assessment of costs and availability and that type of thing. I just want to make sure that we're looking at this issue from the equity piece in that we all understand that the market for real estate in the metro area is insane. And if this is a perceived added benefit for life safety, I'm afraid that it sort of becomes counterintuitive that the wealthy then can afford a home that has this sort of life safety measure built in and that we now have created an unintended consequence of an access issue where we have people that are on the lower end of the income spectrum trying to achieve homeownership, but they're not able to have access to a home that has the same safety features. So, I think that there are a lot of social issues that combined in this area as well, just beyond the life safety issue, there's a huge access issues as well, I think that we need to think about.

Commander Wright replied; It is an interesting subject. Aurora is known for providing affordable housing. And a lot of the large new developments provide that as well. And it's not feasible, to have this required in any home that's already built. So, to go into maybe lower income housing areas and try and do it would just be astronomical. It really needs to be done on the front end as a house is being built. But I know, our city's large housing developments, comparatively in the metro area should be competitive in the entry level home market. And hopefully, this, if this becomes a requirement, it doesn't become cost prohibitive. And hopefully it doesn't hurt the real estate market as far as competing with other areas of the metro area. So totally understood, Garrett.

Business Awards Update – Elena Vasconez

The event is Thursday, April 29th at 6:00pm.

Invitations have been sent out via email.

We will send the program via email Tuesday April 27th.

Channel 8 has done a fantastic job.

Ms. Vasconez thanks Ms. Redding for the dry dock beer, Ms. Horiuchi for soliciting items for the baskets and for putting the baskets together and to Ms. Edmondson for catering the event and delivering the baskets and the awards.

We're going to be honoring the businesses that have been resilient during the pandemic, that have been giving back to the community, that have been helping their employees as well as the community and their customers.

Mr. Walls – echo gratitude to Ms. Redding, Ms. Horiuchi and Ms. Edmondson.

Ms. Horiuchi – wanted the links for Facebook and Aurora 8. Ms. Vasconez will send links.

Ms. Edmondson asked if it was going to be recorded. Mr. Walls will record and post on YouTube.

Election of Board Chair/Vice Chair

Mr. Walls explains Vice Chair duties:

The Vice Chair is there in case the Chair can't attend a meeting.

The primary responsibility would be working with staff to make sure that you can attend the meeting.

Your responsibility in the absence of the Chair; Making sure that we reach quorum and any approvals or basic business that needs to be done.

Providing feedback on behalf of the BAB to the policy and Economic Development Committee, which meets monthly on Wednesdays and also to the M&F Committee, which is our finance committee on any things regarding taxation or any ordinances that the BAB takes a position on. We attend those meetings. So, in the absence of the Chair or in rotation with the Chair, you'd be asked to attend those meetings. The Chair and the Vice Chair can work out those schedules.

Mr. Sarwal nominated Ms. Edmondson.

Mr. Tarachand seconded.

Mr. Walls asked Ms. Edmondson if she accepted the nomination.

Ms. Edmondson accepted nomination.

Vote was unanimous.

Ms. Edmondson becomes the new Vice Chair.

Mr. Walls explains chair duties:

Attend PED and M&F and any other requested meeting at the request of city council to provide feedback based upon BAB votes or policy positions.

Other responsibilities would include working with city staff in drafting policy positions that the BAB takes, providing those memos to city staff as well as to counsel when requested.

Work with all the BAB members to help advance any policy initiatives.

Work with city staff monthly to develop the meeting agenda.

Work with any council members we might have or guests that might have agenda items and getting those calendared and scheduled for the committee.

Mr. Tarachand nominated Mr. Walls.

Mr. Patel seconded.

Mr. Walls accepted the nomination.

Vote was unanimous.

Mr. Walls remains Chair.

Mr. Walls asked for any other announcements or items to be aware of.

Mr. Sarwal reminded the board of the continuing vaccine events – Fridays from 10am – 2pm at Second Chance Center. Saturdays at next to H Mart.

Mr. Walls asked Ms. Edmondson to talk a little about the event at Second Chance Center.

Ms. Edmondson said the event was good. Check out their Facebook page.

Ms. Horiuchi wanted to mention that she is trying to schedule something with Council member Lawson to address single use plastic and healthy kids' ordinance.

Ms. Redding asked what the healthy kids initiative is.

Mr. Walls explained the healthy kids' ordinance.

Ms. Horiuchi explained that the big piece of the ordinance was the enforcement.
Mr. Walls said to get more information of single use plastic to contact Ms. Pace.
Ms. Pace explained what the ordinance is – eliminating polystyrene in to go containers.

COUNCIL CONTACTS

Mr. Patel – CM Marcia Berzins – no updates

Ms. Pace – CM Juan Marcano – no updates

Ms. Horiuchi –CM Gruber – no updates

Mr. Liles – CM Bergan – no updates

Mr. Tarachand – CM Gardner – no updates

Ms. Edmondson –CM Hiltz – no updates

Mr. Sarwal - CM Angela Lawson. – no updates


Mr. Fryberger - CM Murillo, - no updates

Michelle Reding –CM Combs. –no updates

Garrett Walls – Mayor Coffman -

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.

Mr. Walls adjourned the meeting at 12:20pm.

APPROVED:  _____
Garrett Walls, Chairperson

Marijuana Hospitality Options

Business Advisory Board

April 19, 2021

Summary of Options

- Non-Sale Hospitality - “Bring Your Own”
 - No Sales of Cannabis Products On-site
 - Fixed Location: “Consumption Lounges”
 - Mobile: Vehicle Transporting Individuals Consuming Marijuana
- Hospitality and Sales
 - Limited Sales of Cannabis Products On-site
 - “Tasting Rooms”

State Regulatory Requirements for All Options

- Requires Local Jurisdiction Opt-In
- Employee Training
- No Consumption of Alcohol or Tobacco on premises
- Destroy unconsumed product left on site
- Required to stop consumption when emergency personnel enter
- Outdoor Consumption Allowed

City *may* impose more stringent requirements than the state.

Social Equity and Marijuana Licensing

- HB 20-1424 established definitions of Social Equity Licensees and enabled providing incentives to those who qualify.
- The qualifications are (any one of the following):
 - Lived in a census tract designated opportunity zone or disproportionate impacted area for at least fifteen years between 1980 and 2010
 - Earned 50% AMI or below in preceding year
 - Individual or immediate family member had past conviction excluding them from participating in regulated marijuana industry or was subject to civil asset forfeiture related to marijuana investigation

The city *may* implement social equity programs.

Hospitality and Sales: State Requirements

- Track product in State inventory tracking system.
- Control amount of product sold to consumers in the facility
 - 2 grams of flower, ½ gr concentrate, not more than 20 milligrams of active THC.
- Similar State oversight and security as current marijuana stores
- Allowed in restaurants without a liquor license - must be separate from area where food is prepared and served.

City *may* impose more stringent regulations than the state.

Hospitality and Sales: Considerations

- Hours of Operation
- Would require additional licenses for marijuana sales
- Permitting Process, Zoning, setbacks
- Indoor air quality and ventilation
- Public Intoxication and Impaired Drivers
- Odor mitigation
- Security
- Inspections by local licensing authority

Consumption Lounges: State Requirements

- Product is not controlled entering the lounge
- Little State Oversight
- Allowed in Restaurants without liquor license, must be separate from area where food is prepared and served.

City *may* impose more stringent requirements than the state.

Consumption Lounges: Considerations

- Hours of Operation
- Does not require additional licenses for marijuana sale
- Permitting Process, Zoning, setbacks
- Indoor air quality and ventilation
- Public Intoxication and Impaired Drivers
- Odor mitigation
- Security
- Inspections by local licensing authority

Mobile “Bring Your Own”: State Requirements

- Product is not controlled entering the lounge
- Little State Oversight
- Registration of vehicle.
- Surveillance cameras inside the vehicle.
- Global positioning system (GPS) tracking.
- Route manifest system - log of route

City *may* impose more stringent regulations than the state.

Mobile “Bring Your Own”: Considerations

- Hours of Operation
- Does not require additional licenses for marijuana sale
- Permitting Process
- Public Intoxication and Impaired Drivers
- Odor mitigation
- Travel through non-permitted areas
- Security
- Inspections by local licensing authority

Questions/Discussion