

DRAFT – Subject to Approval

Infrastructure Task Force Ad Hoc Policy Committee
Thursday, February 27, 2025

Members Present: Council Member Curtis Gardner, Chair
Council Member Françoise Bergan, Member

Others Present: L. Perry, J. Burne, S. Coffin, J. Zambrano, C. Essman, T. Kuntzelman, B. Dalton, C. Dancy, R. Sewald, M. Burton, T. Carpenter, J. Cox, K. Lardie, J. Boyd, J. Patterson, J. Bajorek, R. Barnes, M. Kerrigan, J. Knight, K. Stuart, A. Amonick, W. Mitchell, R. Connerly, J. Wardip, G. Hays, N. Collwell, R. Allen

CALL TO ORDER

Council Member (CM) Gardner welcomed everyone.

APPROVAL OF MINUTES

The January 8, 2025 Meeting Minutes were approved.

NEW ITEMS

Welcome & Icebreaker

CM Gardner stated that a conflict of interest disclosure has been added to the agenda, which ensures that those serving on this committee have to disclose any conflicts of interest and cannot vote on anything that has a conflict of interest. He said they will start their meetings with the conflict of interest disclosure, especially as they get further along and talk about more specific projects. He asked if anyone had any conflicts they needed to disclose. There were none.

CM Gardner then asked everyone to say their name, organization, their reason for being there, and their favorite or most memorable concert they have ever been to as an icebreaker.

Capital Funding and Financing 101 Continued

Andrea Amonick explained that the Urban Renewal Authority uses Tax Increment Financing (TIF), which is authorized by state law, and is often used to finance redevelopment projects or fund public improvements, including infrastructure within Urban Renewal areas. She said the City has 21 Urban Renewal Areas and each area can have multiple TIFs within it, so they have at least 40 to 50 TIF areas in the city. She expressed that TIF is as a value capture tool that allows usage of revenue streams on future development to pay for the public improvements on infrastructure. She went over the process and stated that subsequent taxes for 25 years, within the designated TIF area, can be used to pump back into the project, which is usually done with bonds, and then the revenue stream pays back the bonds over time. She expressed that plans for specific improvements within the TIF district are developed and need to be under law and a part of the Urban Renewal Plan. It is important that they inform all taxing jurisdictions that will have taxes and portions taken of their TIF what it will be used for, and they have

DRAFT – Subject to Approval

to concur with the percentage of taxes they give up. Ms. Amonick voiced that TIF creates funding for public, provides projects, and borrows against the future increase in revenues.

Michael Kerrigan, Special Districts Administrator, discussed the Business Improvement District (BID), which is a form of local government that conducts economic development activities, promotional activities, public improvements, and maintenance for the District. He noted that they have created a separate Board of Directors for each of the city's BIDs, and by statute, the City Council has the power for approval of the annual budget and operating plan for the District. He noted that BID uses its revenues to implement its annual operating plan, including funding capital investments, debt service obligations, and providing various services for the District and taxpayers. In order for BID to be created, a petition must be signed by commercial property owners representing at least 50% of the assessed value and land area of a new BID area, then City Council will hold a public hearing and approve an ordinance creating BID, and then the BID can seek voter authorization for debt and revenue via TABOR elections. There are 10 BIDs in the City.

M. Kerrigan then discussed a General Improvement District (GID), a form of local government in which a taxing unit is created for the purpose of acquiring, constructing, installing, operating, or maintaining any public improvement or for the purpose of providing a service. A GID includes commercial and residential property and City Council is the Board of Directors for GIDs. He stated a GID process starts with a signed petition and it is required to have at least 30%, or 200 electors, of the proposed district, and has to describe what the GID is going to do, its boundaries, and estimated cost. Then City Council will approve an ordinance after a public hearing, and it will then go forward to an election to authorize the organization of the GID, and after the ordinance is approved, the GID can seek voter authorization via TABOR election. He stated that a GID generates revenue via property taxes, special assessments, rates, tolls, fees, and charges, just like BID. The City currently has 6 GIDs.

M. Kerrigan stated that Metropolitan Districts are a separate and independent unit of local government and must provide at least two services from a statutory list of services that include infrastructure of street, water, sewer, transportation, and parks and rec facilities. It is run by an elected Board of Directors and they are primarily created to help facilitate the coordination, construction, installation, financing, and maintenance of public infrastructure elements for new development projects. He noted that one of the most important documents for a Metro District is the service plan, which is like a constitution for the District and includes the purpose and authorized powers for services the District will provide, the boundaries, financial plan details, and contains particulars about annual reporting requirements and disclosure requirements. He expressed that the service plan also includes concepts important to the City, such as taxing abilities, maximum annual mill levys and their time limits, requirements for a regional mill levy, and describes limitations to certain statutory powers. It also requires the District to enter into an IGA with the City and includes requirements for disclosure notices regarding the Metro District. He then went over the multistep legislative and election process to create a Metro District. M. Kerrigan explained Metro District funding, which has the ability to impose taxes, issue debt, can issue tax exempt debt to finance infrastructure elements and amenities needed for development projects, and includes revenue and debt issuance limitations. Metro Districts can have varying forms of mill levys, revenue limitations, and debt limitations. M. Kerrigan shared that one of the unique characteristics of the City's model service plan is the requirement for an ARI mill levy, with revenues that are meant to fund large regional improvement projects and have limited funding sources available. He noted that ARI mill levy increases over time, based on the applicable type of tier and the

DRAFT – Subject to Approval

District's debt mill levy. He went over the three tiers for both Residential Metro Districts and Commercial (non-residential) Districts.

M. Kerrigan discussed the South Aurora Regional Improvement Authority (SARIA), which is a separate political subdivision of the state that is created to facilitate transportation and public improvements. It was established by IGA and authorized to plan, design, construct, install, acquire, relocate, redevelop, and finance 10 Regional Improvements designated in an ARI Master Plan. SARIA issues bonds to fund transportation construction projects and uses funds received from debt issuances, IGAs, and ARI mill levy revenues to fund regional transportation infrastructure projects. He also talked about Aerotropolis Regional Transportation Authority, ARTA, which is a statutory regional transportation that allows local, city, county, and metro district government to cooperate with the purpose of financing construction transportation systems. ARTA boundaries are large and include generally the new developing areas to the east and west of E-470, north of I-70, and south of Denver International Airport. He said the purpose of ARTA is to construct a regional transportation system for the benefit of property owners within the boundaries of the authority, and it is funded by an assortment of revenue sources, has bonding capacity, and can charge a 1% sales tax.

Committee Discussion:

CM Bergan asked if Urban Renewal Areas expire.

A. Amonick answered that TIFs expire but Urban Renewal Areas do not expire under Colorado State Law. She added that TIFs are for 25 years, but as plans change, Urban Renewal Areas and TIFs just require a formal amendment of the plan.

CM Bergan inquired if an Urban Renewal Area that was blighted has added economic development and changed the entire look of the area cannot expire, how can a TIF if it is no longer blighted.

A. Amonick responded that it is very common to have one Urban Renewal Area that may be larger and use individually fairly distinct smaller TIF areas to capture a redevelopment, so it is possible to do numerous TIFs within an Urban Renewal Area while other areas can remain blighted. She added that people can re-blight an area, but there has to be new fact found that is a substantive amendment to the plan and blight existing within a three year time of when the TIF shall be started.

CM Bergan appreciated the presentation on Metro Districts and ARIs, and commented that it is important to understand that a lot of residents are under some of these taxes and may be hesitant to approve taxes based on the burden they currently face.

W. Mitchell stated that just like Urban Renewal Areas that do not go away, Metro Districts also do not go away, but when the term on the debt capacity expires and there is improvement needed within the area, is the District able to come back and amend their service plan to renew their debt capacity or re-institute a debt mill levy to pay for the city street within that Metro District area.

M. Kerrigan answered that it could, but that would be an amendment to the service plan.

W. Mitchell asked if M. Kerrigan has seen any amendments come through like that yet.

DRAFT – Subject to Approval

M. Kerrigan responded he is fairly new to the City but has not seen one.

L. Perry commented that districts are a big part of Aurora’s infrastructure story and the two authorities have been pivotal in constructing needed regional infrastructure to support growth and new development, but on the Metropolitan District side, constructing public improvements as well as maintaining them for a period of time has been crucial. She shared that those do come to an end at some point and they sometimes come to the City, and they have the responsibility to maintain them, so sufficient capital planning is something they are conscientious of.

J. Boyd asked if the projects for ARTA are private projects, public, or a mix.

M. Kerrigan responded that the projects that ARTA is allowed to construct are all public streets.

CM Bergan voiced that residents will ask what the City’s contribution is to that, and obviously it is limited. She added they are doing this with ARTA and SARIA, as far as giving some of the impact fees, which were generated by the builder that had to pay the impact fees when a house was built and incorporated in the cost of the house.

CM Gardner stated there are examples of projects that are ARTA plus others.

J. Boyd asked if they take a blanket approach and try to fix all the projects or do they prioritize projects and take a very project specific approach.

R D. Sewald responded that they have to solve what the funding mechanism is first.

CM Gardner noted this is part of why they started two years in advance of our target date, and this is education for this group to know all the different funding mechanisms, districts, and tools we have.

CM Bergan said the 2000 bond was approved by voters and was broken up with public safety, parks and open space, rec center, and library facilities, and all of them passed except for the rec center.

R D. Sewald responded that their two firms have been involved in this process, where they go out, do the leg work, and communicate to constituents and voters. He said they usually see the most success when the process is laid out real and authentic. He stated that he looks at this as doing it in two ways, which is the taskforce is real and authentic to honor the community process and the feedback comes in about what they would like to see and plan that out accordingly, and protecting the mayor and council members so that at the end no one can criticize that the process was not real or authentic or inclusive. He added that is what needs to happen, and the question of what they could or could not do can be put on a list of what you might do later if the voters tell you they will only do so many things here and the City has options to address some of the other infrastructure issues, and that is the importance of having these tools in place.

CM Gardner commented that after they get through some of the districts and funding mechanisms, they will hear master plans from various departments in the city in the next few months.

Outcome:

DRAFT – Subject to Approval

Information only.

Follow-Up:

No follow-up needed.

Public Affairs Update (76 Group/Sewald Hanfling)

Greg Hays discussed special districts, which are units of local government that is funded for specific purposes and operates in a finite area, and typically provides services that are not being provided otherwise which a lot of times are in rural areas. He talked about district topics for special districts, including social services, safety, infrastructure, cultural, and very specific things like cemeteries, pest control, and airports. He went over the public safety districts in the area and in the state, and in cultural districts like recreation and library districts.

R.D. Sewald voiced that they are being sensitive to the elected officials, because all the ones they have worked on have been Council united and the mayor going out and testing the waters and finding out what works. He said they are getting ready to go through the community and the two council members that are co-chairing the taskforce made it clear to make sure the mayor and other council members do not get blindsided by their communities, so they will be going out and getting as many people involved in the process as possible. He shared that what they have found in the past is not only working with the community, elected officials, business community, and nonprofit, but the city employees are also extremely important to this process.

Jake Zambrano stated that the dashboard is their accountability tracker between Sewald Hanfling and 76 Group, and in the next 30 days they plan on sending around a deck that will be their bible as they move into the engagement phase of this project. He said we have to be able to find the problem and make sure that residents and voters believe this process is authentic and give true feedback. He expressed they will start with Council town halls and they have a tool where people scan a QR code to do a virtual survey.

R.D. Sewald added they have already started Q1 2025. He commented that the mayor, City Council, and the work group want to make sure everyone understands the timeline. He shared they will also do a disclaimer at the beginning about why they are reaching out to them.

J. Zambrano explained that a big piece of the Stage 1, Tier 1 engagement is making sure all of the other people that could be on our ballot have solved their funding problems.

R.D. Sewald discussed what the City had done, including City Council voting unanimously to establish an Infrastructure Task Force identifying consultants and partners to assist with strategic planning, community outreach/engagement, and public relation. In 2025, they will complete Tier 1 Outreach and develop Q2 outreach calendar for Tier 2 targets, and in Q2, they will do the research survey, Tier 2 Outreach, feedback mechanism, and community forums.

J. Zambrano voiced that in Q3, they will go through the decision making process and possibly have additional polling. He noted that having an agreement across the board will be important, and they will have a couple of different opportunities to raise necessary dollars. He added that alignment at the end is important.

DRAFT – Subject to Approval

R.D. Sewald stated this is a lot of work, the commitment is there, and they need to make sure that every event and celebration that is coming up matters and adds up at the end. He shared that it is nice to have the makeup of the taskforce, so it can be said that we had labor, business, and community. He expressed that they want to set them up to succeed and not have a repeat of history.

Committee Discussion:

Female commented that in many of the areas that she works in, there are already library districts imposing their mill levy. She asked if they try to do a library that is part of a library district and now Aurora tries to do it, there could be a problem with double taxation and it could be a difficult challenge for people to accept another mill levy for a library.

CM Bergan stated that a lot of residents may put something on there that we already have in regard to the questions put together for the polling. She asked if there is anything to show something exists or does not or do they feel like it is better to just be blanket out there.

J. Zambrano responded that when doing quantitative research, you want an uninformed blank slate with no preconceived notion feedback.

R.D. Sewald added that they want honest feedback so we can make good decisions, and when they get to the town halls, that is usually when they say what they have heard and then go around the room and hear feedback. He said there are different ways of communication where they will get additional feedback from people, but they do need time with the citizens and need to call people in to have a big response, list out the education piece and then ask again.

R. Barnes commented that the word labor was mentioned, but in the employee groups so far he has not seen any groups like firefighters or police. He said that is an important part that we really need, because they are huge advocates for what we want and need to do. He asked if there was a place for them in this group, as labor needs to be involved somehow.

CM Gardner responded that they did not want to ask current city employees to serve on the taskforce, and that is part of the reason they asked him to represent Fire, as he was respected in that community and they felt he would represent what Fire wanted. He added that other members on the taskforce also represent multiple different labor groups.

J. Waldrip explained that he is the past president of the AFL-CIO for Colorado, represents 24 different local unions in construction, and they work with apprenticeships, procurement, and lobby efforts.

R.D. Sewald added they hope the taskforce will continue to add names to the list for communicating with people. He said they were going to have a number of different community groups and that list needs to constantly grow. He commented that they cannot have everyone sit at the table, but the taskforce and co-chairs are checking in with people every week, and they will do the same with anyone that is put in front of them, as they need everyone to understand what we are doing and is not predetermined about what we are going to ask for.

DRAFT – Subject to Approval

CM Bergan voiced that it is very important that they have this very diverse group representing different factions, but we do not know what the public is going to prioritize, so they need to make sure they are not pushing for a certain issues until they know what the public is interested in.

J. Boyd asked if anyone has heard of any opposition from this taskforce.

CM Gardner responded that the only negative feedback he has seen was from his editorial that he sent out in the Sentinel, where a couple of people that complain about everything the City does complained about this, but none other than that.

K. Stuart added that as they have been doing this outreach, most responses from people are agreeing.

CM Gardner commented that it is a nuanced conversations, but after explaining to people what we are looking to address and why the need exists, people get it.

J. Knight asked how many people they are going to touch in this process in regard to polling, who are they, and what is the mechanism for getting the polls out.

R.D. Sewald answered that Jason and Laura are making sure we get this right. And in all the years he has worked statewide or city, they usually get 250 to 400, and they will be doubling that. He explained that the first round will be shorter and the second one will be broader.

J. Zambrano stated that their goal is 800. He noted that they want people less informed, rather than more, because they want gut reactions.

CM Gardner said they will even be finding out appetites for doing a tax increase.

R.D. Sewald shared there will be a point where they will need the business community that is separate from the residents, and they will bring Keating (ph) in to sit down and present the outcomes. He added that they have to do it in a way that gives Council real and right information.

J. Zambrano added that they are contemplating a 2026 question so the profile of that voter model is different. He noted that it is rare to go out for tax increases on odd years.

R. D. Sewald expressed they are going to keep asking for names of community neighbors and that list needs to grow and they are focusing on that right now.

W. Mitchell commented that the City has a very talented Budget Committee that does a lot with resources that it has access to. She asked if the City has looked at creating any more enterprises other than the current ones, so they can look inside the house before they go outside of the house, and if there has been discussions in the development community from a planning and development department perspective.

R.D. Sewald answered not right now, as they do not know what they are going to ask for.

DRAFT – Subject to Approval

L. Perry added that they have not done a formal evaluation on an enterprise fund, because it operates like a business and revenues offset that specific service or cost of capital and there are limited opportunities with our services in infrastructure that we maintain.

CM Gardner said that very soon we will have a communications bible for everyone on the taskforce as these conversations pick up in the community. He stated he will be presenting at the Citizens Budget Committee in April, so they will get that document out to everybody.

K. Stuart expressed that they have started building the calendar of events and the Engage Aurora Page.

K. Stuart added there are so many events and town halls that the city already does that Jessie’s team is very engaged in. They also want to use this list from the taskforce to help identify who is willing to host a community event or have this conversation so we are not just going to all the same places.

Outcome:

Information only.

Follow-up:

No follow-up needed.

MISCELLANEOUS MATTERS FOR CONSIDERATION

K. Stuart went over the Build UP Aurora page on the City’s website and demonstrated how to subscribe for project updates. It also displays the boards that were used for the launch.

CM Gardner reminded that the City Tour is Saturday, March 1st, 9 a.m. to 1 p.m., and they will meet at the Southeast Rec Center.

CONFIRM NEXT MEETING

The next meeting will be March 27, 2025, at 4:00 p.m.

ADJOURNMENT

The meeting adjourned at 5:45 p.m.

APPROVED:



CM Curtis Gardner, Chair