

# HAVANA BUSINESS IMPROVEMENT DISTRICT

## 2017 ANNUAL REPORT



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# HAVANA BUSINESS IMPROVEMENT DISTRICT

## 2017 ANNUAL REPORT

Business and Commercial Property Owners,

It is a privilege to share with you this annual report of the Havana BID. This represents our 9<sup>th</sup> year of operation. The Havana BID is a special district that represents you, our business and commercial property stakeholders, who invest in the economic vitality, value and overall commercial appeal of the Havana District.

The BID began receiving funding in 2008. You entrusted us with your property tax dollars and we promised to work together to make positive changes in the Havana District. We continue to work hard branding the district and creating a positive image through special projects and events that attract new customers and businesses to the district and encourage new investment in the district. We are proud to report that our combined efforts are working and we are seeing measurable results, as we will outline in this annual report. We appreciate your support and assistance in our BID efforts and sharing our goal of creating an economically viable, attractive business district.

Sincerely,

### 2017 Havana BID Board of Directors

- Matt Rauzi, BID Board President, owner of Colorado's Pro Gym
- Donovan Welsh, director of human resources for Havana Auto Parts
- Brenda Soper, property manager for Amcap at The Gardens on Havana
- Gary Sliger, owner of Gary's Full Service Auto Repair
- Shannon Jones, Aurora market president - First Bank Aurora
- Garrett Walls, leasing and business consultant for Western Centers, Havana Exchange Shopping Center
- Kyle Bell, partner in Ed Bozarth Chevrolet
- Yulissa Williams, branch manager, Bank of the West
- Gayle Jetchick, BID Executive Director

### Advisors/Liaisons:

- Tom George, Spencer Fane LLP, BID Attorney
- Melissa Rogers, Urban Renewal Project Manager, City of Aurora
- Sara Ullman, Planning Department, City of Aurora

## A SNAPSHOT OF THE HAVANA BID BY THE NUMBERS

The Havana Business Improvement District runs 4.3 miles along Havana Street from 6<sup>th</sup> Avenue to Dartmouth Ave. It consists of 209 real commercial properties and over 500 businesses/tenants. The Executive Director is the only employee of the BID and plans/executes all of the events, marketing/ads, all programs and the day-to-day activities of the Havana BID, as directed by the 9-member Havana BID Board of Directors.

**District Assessed Valuations:** Arapahoe County's assessment of the value (AV) of the 209 real commercial properties in the Havana Business Improvement District is tracked annually. Note that commercial properties in Colorado are assessed at 29% of their actual value, compared to residential properties being assessed at 7.2% of their actual value.



**Havana District Assessed Valuations (AV) from Arapahoe County by year:**

2017 AV \$105,807,722	2012 AV \$78,099,140
2016 AV \$92,087,741	2011 AV \$78,223,730
2015 AV \$92,241,078	2010 AV \$84,745,410
2014 AV \$80,738,883	2009 AV \$84,854,490
2013 AV \$79,700,290	2008 AV \$72,233,880

**Total Aurora City Sales Tax Revenues (3.75% tax) generated from the Havana BID businesses by year:**

2016 \$20,358,224	2011 \$13,680,296
2015 \$20,183,012	2010 \$12,955,934
2014 \$18,599,766	2009 \$12,637,352
2013 \$16,339,126	2008 \$12,178,876
2012 \$15,636,441	

**RETAIL VACANCY RATE:** Every October we calculate the retail vacancy rate in the Havana District based on 15 retail centers/strip malls in the District. The results: **2.5% in 2017**, 4.7% in 2016, 4.2% in 2015, 2.3% in 2014, 2.8% in 2013, 6.7% in 2012, 8.5% in 2011 and 8.6% in 2010.

**STRONG HAVANA BUSINESS IMPROVEMENT DISTRICT DEMOGRAPHICS:** The chart on page 5 compares data based on the center of the Havana District, 1100 S Havana St, which is the intersection of Mississippi Ave and Havana. We ran Demographic Comparison Reports in November 2015 and the same report criteria in November of 2017 to compare “apples to apples” and determine how the business district and surrounding areas are doing. We requested data using 1-mile, 3-mile and 5-mile rings around the 1100 S Havana address.

From the data, we see that today, in November 2017, the population is slightly younger and more diverse. The population has grown between 1 and 1.5% in the area, and the percentage of Millennials (defined as ages 20-34) has increased between 3.2 and 3.5%, with Boomers (defined as ages 55-74) also increasing 1 to 3.2%. The Gen X group (ages 35-54) lost less than 1% in two of the rings but grew by 1.4% in the 5-mile ring.

Income Data 2017 vs. 2015: The Total Aggregate Income of the area is up an average of 26.8% in 2017 over 2015, when averaging the three rings of the study. Median family income is also up 18.9% in 2017 over 2015, averaging the three rings of the study. The average home value is up 49.1% in the 1-mile radius, 45.1% in the 3-mile radius and 22.7% in the 5-mile radius around the intersection of Mississippi & Havana. See more statistics and the maps showing the neighborhoods included in the 1-3-5-mile rings in the demographic reports from 2015 and 2017 that we have linked on our website [www.OnHavanaStreet.com](http://www.OnHavanaStreet.com)



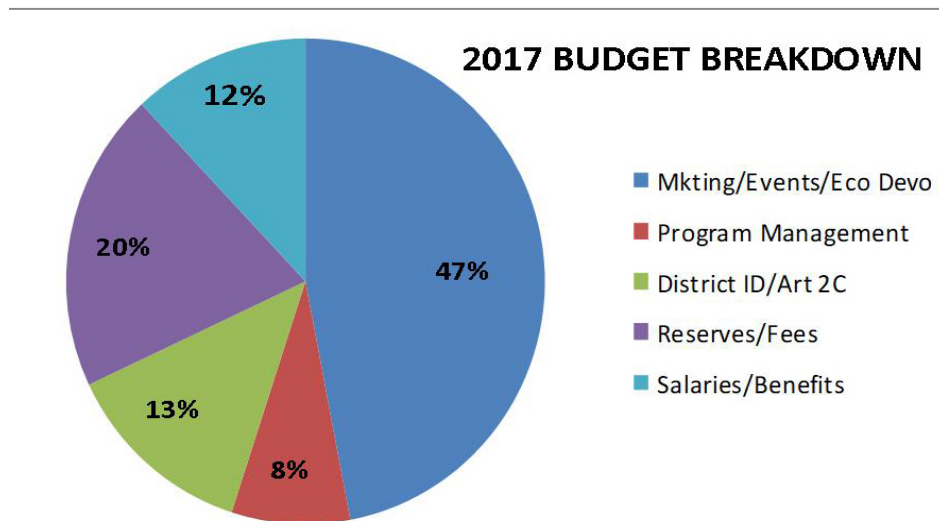
HAVANA DISTRICT DEMOGRAPHICS	2015	2017	CHANGE	% +/-
<b>TOTAL AGGREGATE INCOME (IN MILLIONS)</b>				
1 MILE RING	\$669.4	\$832.6	\$163.2	24.4%
3 MILE RING	\$4,799.3	\$6,088.5	\$1,289.2	26.9%
5 MILE RING	\$13,883.5	\$17,937.4	\$4,053.9	29.2%
<b>PER CAPITA INCOME</b>				
1 MILE RING	\$22,873	\$28,132	\$5,259	23.0%
3 MILE RING	\$24,234	\$30,744	\$6,510	26.9%
5 MILE RING	\$29,343	\$37,351	\$8,008	27.3%
<b>MEDIAN FAMILY INCOME</b>				
1 MILE RING	\$47,219	\$57,983	\$10,764	22.8%
3 MILE RING	\$55,673	\$65,852	\$10,179	18.3%
5 MILE RING	\$70,062	\$81,605	\$11,543	16.5%
<b>AVERAGE FAMILY INCOME</b>	<b>2015</b>	<b>2017</b>	<b>Change</b>	<b>% +/-</b>
1 MILE RING	\$55,813	\$69,133	\$13,320	23.9%
3 MILE RING	\$65,942	\$84,326	\$18,384	27.9%
5 MILE RING	\$84,537	\$109,060	\$24,523	29.0%
<b>TOTAL POPULATION</b>				
1 MILE RING	29,264	29,596	332	1.1%
3 MILE RING	198,044	198,039	-5	0.0%
5 MILE RING	473,144	480,242	7,098	1.5%
<b>MILLENNIALS (AGES 20-34)</b>				
1 MILE RING	7,371	7,610	239	3.2%
3 MILE RING	48,074	48,445	371	0.8%
5 MILE RING	112,532	116,441	3,909	3.5%
<b>GEN X (AGES 35-54)</b>				
1 MILE RING	7,299	7,291	-8	-0.1%
3 MILE RING	51,046	50,650	-396	-0.8%
5 MILE RING	127,771	129,618	1,847	1.4%
<b>BOOMERS (AGES 55-74)</b>				
1 MILE RING	5,678	5,734	56	1.0%
3 MILE RING	37,273	38,259	986	2.6%
5 MILE RING	87,570	90,363	2,793	3.2%
<b>AVERAGE HOME VALUE</b>				
1 MILE RING	\$180,678	\$269,881	\$89,203	49.4%
3 MILE RING	\$208,500	\$302,527	\$94,027	45.1%
5 MILE RING	\$284,218	\$348,650	\$64,432	22.7%

Source: DemographicsReports.com

# HAVANA BID OPERATING BUDGET

**Funding:** The Havana BID is funded by a 4.5 mill commercial property tax levy approved in November 2007.

The original 2017 budget is \$595,889. The BID Board and Executive Director continue to take a frugal approach to budgeting and monitor ROI in all areas. The pie charts below shows the 2017 budget allocation percentages:



## 2017 BUDGET ALLOCATIONS

**Marketing/Events/Economic Development accounts for 47% of budget or \$283,000:** Includes TV & radio marketing for the Havana Motor Mile and all District events, print ads, social media, website, e-newsletter, Meet-Up Group, marketing and branding planning and execution, and all expenses involved in planning and producing District events throughout the year. The Havana Motor Mile Auto Technician Tool incentive program, to address the severe shortage of auto techs in the area, also comes out of this budget category.

**Program Management accounts for 8% of budget or \$46,310:** Includes business watch program & graffiti removal supplies, the annual government audit required by the City of Aurora, accounting services, legal consul and services, Special District insurance, mileage and taxes, office supplies & phones, Aurora Chamber membership, and annual meeting mailing and expenses. This category also contains a \$10,000 emergency snow removal fund.

**District Identity/Image/Art 2C on Havana Program accounts for 13% of budget or \$75,000:** This category includes the condominium newsrack maintenance agreement for weekly cleaning of all racks and graffiti removal. Also included is replacement and repair of newsracks & handles, treatment for rust and repainting as needed and the “On Havana Street” logo panel District Identity program. The Art 2C on Havana program accounts for \$21,000 of this budget and includes artist stipends, awards, annual gala, and other program expenses. This \$21,000 is leveraged to provide over \$122,000 in public art on the street. We publish an annual Art 2C on Havana guide. Art 2C on Havana is a partnership between the City of Aurora Art in Public Places and the Havana BID. Half of the condo newsracks on the street were replaced in 2017 with the second half of the rack replacement program scheduled for 2018.

**Board Reserves for special projects and succession planning & fees account for 20% of budget or \$119,110.** This category contains the required Tabor reserves and the Arapahoe County Assessor fees. Funding was kept in board reserves for succession planning purposes to have enough money to hire an ED in training and also pay current ED Gayle Jetchick to stay on for one more year to fully train the new ED in 2018. The board can also vote to tap board reserves to fund special projects, including additional funding for the condo newspaper rack replacement if needed.

**Salaries/Benefits account for 12% of budget or \$72,469:** This includes District salaries/benefits paid, including a 2% raise for the Executive Director.

## ACCOMPLISHMENTS: Business & Economic Development

The Havana BID lead advocacy efforts for policies that impact and improve the business climate in the Havana District. We work to grow the retail base and bring in new business while retaining the businesses already located in the District.

### New BID businesses new and remodel since Nov 2016's annual meeting:

- Colorado Rapids Youth Indoor Soccer
- Sally Beauty
- Bank of America Kiosk
- Bank of America Branch
- Angry Chicken (opening Dec 2)
- Dae Gee
- T-Sq Gas and C-Store
- JS Signs & Printing
- The V-Spot
- Chutney Restaurant
- Nanglo Bazaar
- Mantra Fashion
- Herrada Printing
- Shortline Eurocars
- El Gallito Restaurant
- Taco Star
- Total Discount Shop
- Wendy's major remodel
- McDonald's major remodel
- El Salvador Consulate in Havana Tower
- Mike Naughton Ford new display lot
- Village at Westerly Creek Phase III
- Whispers Relocating
- All Cities Taxi
- PB Radio
- Wilmer's Best Detail Shop
- GlassTek
- DMZ Pub
- Blend DJ Studio
- US Bank
- Sahara Hookah Lounge
- Grace Adult Day Care
- AutoMart USA major remodel & signage
- Molcajete Mexican Restaurant
- Fan Fare site rezoning to mixed use
- Shell/Circle K plans
- Village on the Park & Dora's plans
- Bentley's Pet Stuff
- Salvage Steakhouse
- Whisper's Relocation

### Business & Economic Development Accomplishments:

- **Havana North/Fan Fare:** "Argenta" is the name for the new mixed use development proposed for the former Fan Fare site at 3<sup>rd</sup> and Havana. The property was successfully rezoned from PD to mixed use in the summer of 2017 and now we are awaiting the final financial arrangements and site plan. The plan calls for for-sale townhomes, market-rate apartments, a retail component and possibly innovative office use.

- **Condominium Newspaper Rack Replacement Project:** In 2017, we replaced half of the condo news racks along Havana due to rust and deterioration. The second half of the newspaper racks will be replaced in 2018 to complete our replacement project.
- **Business Watch Program & Prompt Graffiti Removal:** We made daily business watch sweeps of the business district looking for people who are in the district begging, panhandling, urban camping and otherwise appearing to need some help, informing them about assistance available. We distributed the Aurora Homeless Resource Guide and gave out bus passes to get people up to the new Day Resource Center (DRC) to get help, food, laundry services, showers, etc. The bus passes were purchased with our business watch budget money. We worked closely with the Aurora Homeless Street Outreach Team (HOT). Panhandling is legal in Aurora, but not aggressive panhandling, and a private commercial property owner has the right to ask the person to leave their private property. The person panhandling/begging/urban camping has the right to refuse any help or services offered to them. We responded to complaints from shoppers and business owners about aggressive panhandling on private commercial property. We distributed information to business owners and neighbors about how to contact the HOT team to get help for persons in need. After attempts are made to offer services and transportation up to the DRC and the person panhandling/begging/camping refuses any help/services, the private commercial property owner can call police and have the person trespassed off their property. But, first, the property owner needs to be in compliance with the trespass ordinance.
- **Trespass Ordinance Compliance:** We continued to work with business and property owners to get the proper “no trespassing” signs in place and a “letter of consent” from the property owner on file with Aurora Police to allow police to go on the private properties to enforce the trespassing ordinance if people camping/squatting on properties refused any and all assistance and refused to be transported to the Day Resource Center to receive help.
- **New Consulate Opens:** In May 2017, the El Salvador Consulate opened for business in Havana Tower, 1450 S Havana, and since then the occupancy of Havana Tower has increased from the 25% range to over 85% with many businesses that support the consulate and its mission leasing office space.
- **Low Retail Vacancy Rate:** With our low retail vacancy rate, The English Teacup could not find another location in the District when they lost their lease, but Whispers’ Bar and Grill was able to find another location when their lease was not renewed. We look forward to the new retail planned for Village on the Park and Argenta.
- **Biz Directory:** We made regular Business Directory updates, adding new businesses as they open.
- **Available Properties List:** We maintain a list of available for sale and for lease commercial properties in the Havana District on the website and fielding calls from prospective business owners.
- **Code Enforcement:** Working with businesses and city code enforcement officers on code violation resolution. The BID Executive Director is a member of the City of Aurora Code review project committee.
- **Havana Motor Mile:** The dealership automotive service managers and independent service shop owners in the Havana Motor Mile worked together and with Pickens Tech Center on an **auto technician tool incentive program**. The Havana BID funded \$10,000 from the 2016 budget and another \$10,000 from the 2017 budget to provide 8 technicians a tool package upon employment in a Havana Motor Mile shop upon graduation from Pickens in 2017. This program is an effort to address the severe shortage of automotive tech in the area.

## ACCOMPLISHMENTS: PEOPLE/COMMUNITY

One of our goals is to enhance experiences for visitors, employees and residents coming into the Havana District. We strive to create and maintain a vibrant District, a gathering place for people to come to shop, dine, live and play. Our 2017 events were all FREE, created a buzz of activity and brought in an estimated 45,000+ people to the District from zip codes up and down the Front Range and even some from out of state.



## Events:

1. Valentine's Day Gum Drop Festival at The English Teacup
2. Grocery Cart Races at Safeway to restock the food pantry at the Comitis Crisis Center. This event raised \$50,000+ for Comitis
3. Grand Opening of the new T-Squared C-Store Gas Station with traditional Pakistani blessing ceremony
4. Small Business Month in March, highlighting our Mom & Pop businesses
5. Earth Day Electronic Recycling Event at Waterpark/Kaiser lot
6. City Wide Clean Up "Free Dumpster Day," Ward III site at Havana Machine
7. Rose garden volunteer training session on How to Prune Roses; trained community volunteers to tend the Lisa Strawn Memorial Rose Garden at The Gardens on Havana throughout the growing season
8. Rose Garden Concert featuring "Relic" Classic Rock with free music festival snacks
9. Grand opening of the El Salvador Consulate
10. 10<sup>th</sup> Annual Cruzin' Havana VIP dinner at Havana Machine
11. 10th Annual Cruzin' Havana Car Show & Poker Run and Classic Mini Model Car Show
12. Rose Garden Concert featuring the band "Tunisia" and our annual hoagie sandwich night
13. Frozen Treats Event to celebrate National Ice Cream Day
14. Rose Garden Concert featuring Dotsero Jazz and our annual District Pizza Party
15. Rose Garden Concert featuring Six Foot Joe and the Red hot Rhinos and our annual District ice cream social
16. Coffee with First Responders quarterly at Starbucks at The Gardens on Havana
17. Last Days of Summer Festival and renaming of The Summit Steakhouse to The Salvage Restaurant
18. Havana District come-together event—Foodball Party at Gibby's for the Broncos/Raiders game
19. 8th annual "Spooky Walk" Halloween Trick or Treat at the Merchants at The Gardens on Havana, costume contest (204 individuals entered) and the 7<sup>th</sup> Annual Pet Halloween Costume Contest at Petco at The Gardens on Havana
20. Art 2C on Havana Gala at The Outpost Club
21. Annual Stakeholders' Meeting at The Salvage Restaurant (formerly Summit Steakhouse)
22. Caroling at The Gardens on Havana with the Aurora Singers
23. Secret Santa Event where Santa Claus welcomes shoppers with gift certificates (purchased by the BID from the Havana BID businesses) to thank them for shopping On Havana Street

## ACCOMPLISHMENTS: CREATING THE SENSE OF PLACE

Our goals include a clean, safe, attractive environment in which to work, shop, dine and play. We stay connected with our stakeholder businesses and area residents through newsletters, emails, regular BID meetings, and having the executive director regularly attend Ward and neighborhood meetings.

**Havana Street Overlay District Project:** As a result of the Havana Street Overlay District, we saw a few more commercial properties upgrading their landscaping with xeriscape and trees in 2017.

**Art 2C On Havana Sculpture on the Street Project:** 2017 marked the seventh year for our Art 2C On Havana Public Art Project. The BID board voted to partner with Aurora Arts in Public Places to bring 13 sculptures on loan to the District for our 2016/76 exhibit. We leveraged our \$21,000 budget to over \$122,000 in sculptures on the street this year.

**District "On Havana Street" Marker Project:** We currently have On Havana Street Logo Panels in place at 38 locations in the 4.3 mile stretch of the BID. New in 2017 were logo panels at Mike Naughton Ford and AutoMart USA. In 2018, panels are planned on the NW corner of Parker Road and Havana in the new Kimco shopping center that is to be built.

**Condominium News Rack Project:** In past years, we completed installation of custom condo newspaper racks at 23 locations along Havana, providing 90 newspaper slots to replace the old multicolor plastic boxes at the Havana Street edge and improve the look of the street. In 2017, we replaced half of the racks and plan to finish this rack replacement project in 2018.

**Havana North/ Fan Fare:** The Aurora Urban Renewal Authority is working with the D/K Team on plans for a mixed use project on the former Fan Fare site. We are still in the financial phase of this project which will consist of for-sale townhomes, market-rate apartments, some retail and possibly innovative office. We hope to have a site plan to review in early 2018. The old Fan Fare building was demolished in January of 2014.

**Kimco Village on the Park Redevelopment:** Several of the existing building received new facades. Earlier in 2016, the old LePeep restaurant was demolished and a new US Bank and Jersey Mike's Subs opened on the site in September 2016. Plans for demolition of the buildings along Havana to the south of Ross Dress for Less, as well as the former Dora's Restaurant have been approved. New retail will be going in at this site, but no tenants have been announced yet.

**Residential--Viridian at The Gardens on Havana was sold and changed its name in the summer of 2017 to Centro:** The 217 apartments and 10 townhomes are **94% leased**. Rents range from \$1175+/month for a 657 sf 1 bdrm apartment up to \$1871/month for a 3 bedroom apartment. **Bella Vita Senior Active Senior Living:** Bella Vita is **100% leased**. The average age of residents is 66.