



HAVANA BUSINESS IMPROVEMENT DISTRICT

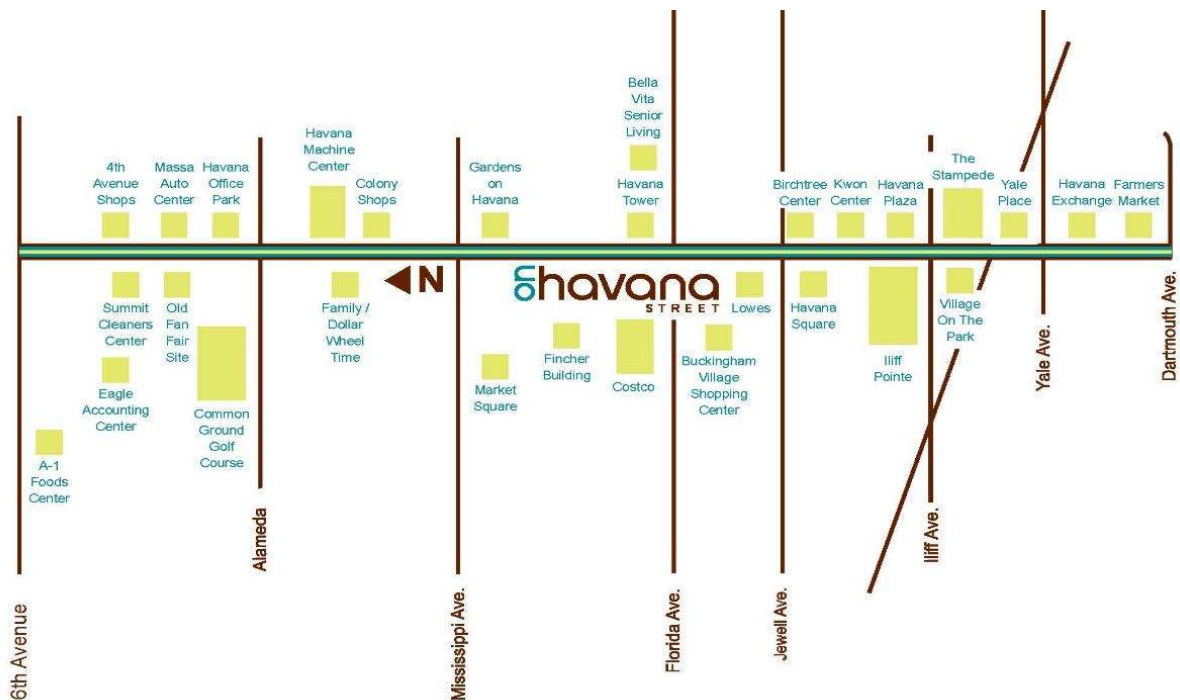
2018 ANNUAL REPORT





Contents

Letter to Stakeholders	3
A Snapshot of the Havana BID By The Numbers	4
Havana BID Operating Budget	7
Accomplishments—Business and Economic Development	8
Accomplishments—People/Community	11
Accomplishments—Creating the Sense of Place	11



Map of the 4.3-mile district from 6th Avenue to Dartmouth Avenue



Photo: Argenta – 2019 Development – Coming Soon to On Havana Street

2018 ANNUAL REPORT HAVANA BUSINESS IMPROVEMENT DISTRICT

Business and Commercial Property Owners,

It is a privilege to share with you this annual report of the Havana Business Improvement District. This represents our 10th 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,

2018 Havana BID Board of Directors

- Garrett Walls, BID President, Vice President of Operations of Western Centers/Havana Exchange, 10555 E Dartmouth, #360, Aurora CO 80014
- Yulissa Williams, BID Vice President, Branch Manager, Bank of the West, 1389 S Havana St, Aurora, CO 80012
- Matt Rauzi, Owner, Colorado's Pro Gym, 1961 S Havana St., Aurora CO 80014
- Donovan Welsh, GM, Havana Auto Parts, 901 S Havana St., Aurora CO 80012
- Brenda Soper, Property Manager of the Gardens on Havana, AmCap, 44 Cook St, #710, Denver CO 80206
- Gary Sliger, Owner of Gary's Full-Service Auto Repair, 30 S Havana St., 304-R, Aurora CO 80012
- Shannon Jones, President, First Bank, 2300 S Havana St., Aurora CO 80014
- Finn Ruehrdanz, Indoor Facility Manager, 111 Havana St, Suite 120, Aurora, CO 80010
- Devon Horan, Property Manager, Havana Tower, 1450 S Havana St., Aurora CO 80012
- Gayle Jetchick, BID Executive Director
- Chance Horiuchi, BID Incoming Executive Director

Advisors/Liaisons:

- Tom George, Spencer Fane LLP, BID Attorney
- Leslie H. Larsen, Paralegal, Spencer Fane LLP
- Andrea Amonick, Manager of The Development Services Division includes Urban Renewal, Retail Assistance and Economic Development, Urban Renewal Project Manager, City of Aurora
- Chad Argentar, Havana BID Liaison, 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 6th Avenue to Dartmouth Avenue. It consists of 209 real commercial properties and over 500 businesses/tenants. On Havana Street has been managed by Gayle Jetchick for ten years and on its 10 Year Anniversary year the Havana BID hired an Executive Director in Training. Chance Horiuchi is the incoming Executive Director who started in April 2018 as the Executive Director in Training and will take on the role of Executive Director starting January 2019. Gayle Jetchick will continue to be engaged in On Havana Street, full-time until April 2019, and part-time until the end of 2019. Both the Executive Director and Incoming Executive Director planned/executed 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 for the 2018 Operational Plan and Budget.

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:

2018 \$15,751,773 (end of Q3, will update after 2018)	
2017 \$21,058,637	2012 \$15,636,441
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

RETAIL VACANCY RATE: Every October we calculate the retail vacancy rate in the Havana District based on 18 retail centers/strip malls in the District. The results: **1.8% in 2018**, 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.

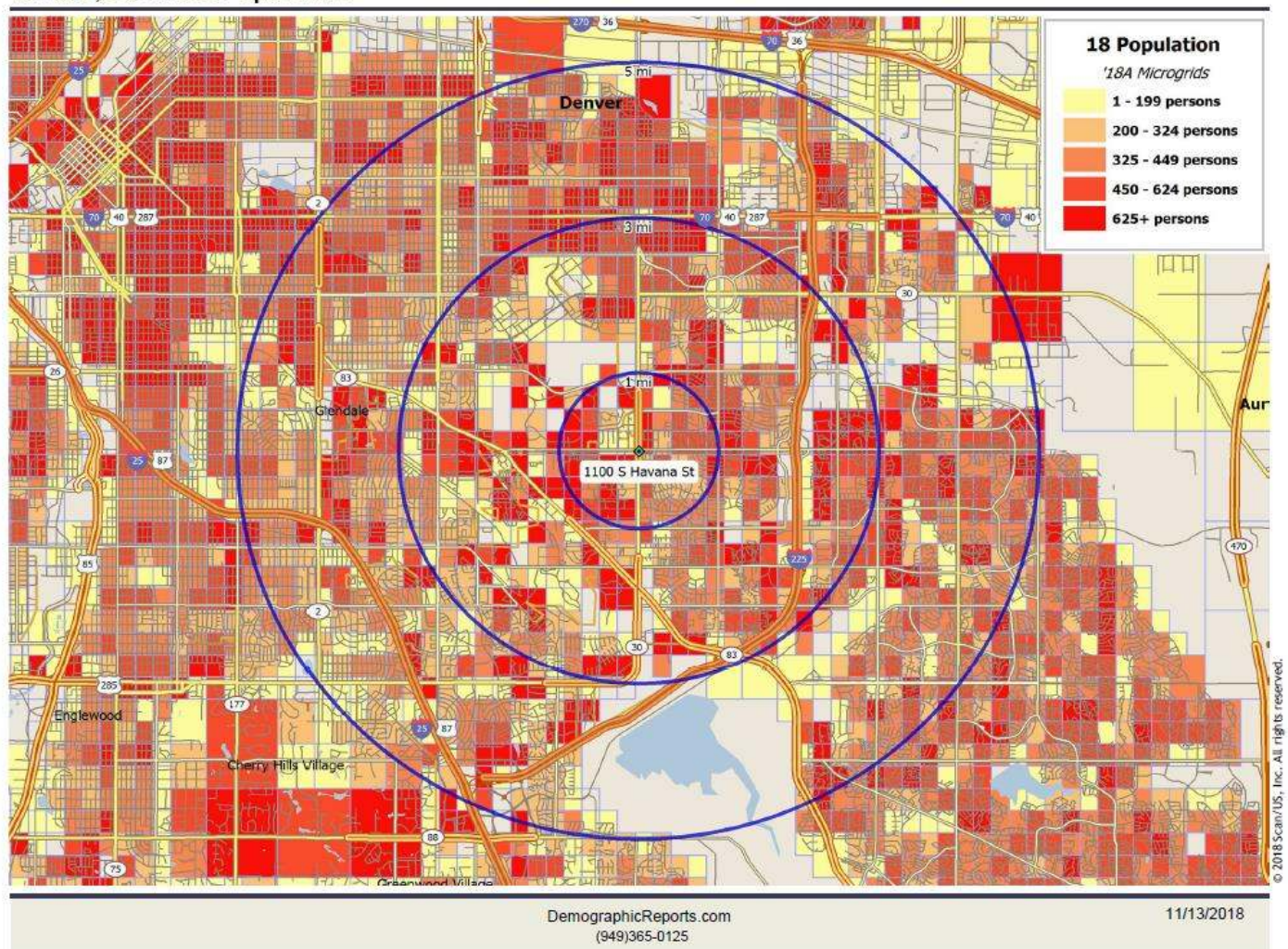
STRONG 2018 HAVANA BUSINESS IMPROVEMENT DISTRICT DEMOGRAPHICS: The chart on page 6 compares data based on the center of the Havana District, 1100 S Havana St, which is the intersection of Mississippi Ave and Havana. We ran Demographic Comparison Reports in November 2015, 2017 and 2018 to compare "apples 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 2018, the population decreased slightly for ages 20-54, ages 55-74 saw an increase and overall an increase in diversity.

Income Data 2018 vs. 2017: 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. Then the Total Aggregate Income of the area is up an average of 4.78% in 2018 over 2017. The average family income is up 10.17% in a 1-mile radius around Havana. The average home value in a 1-mile radius around Havana saw a 22.75% increase in value.

See more statistics and the maps showing the neighborhoods included in the 1-3-5-mile rings in the demographic reports from 2017 and 2018 that we have linked on our website www.OnHavanaStreet.com

Aurora, CO: 2018 Population



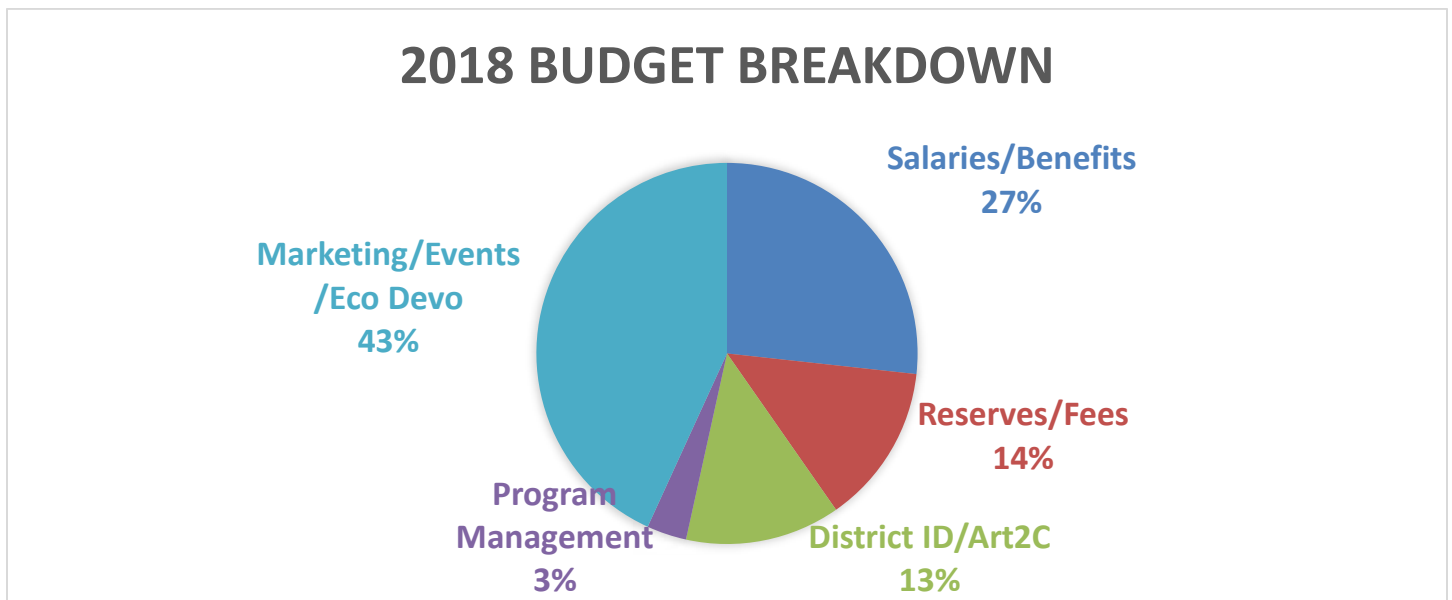
HAVANA BID DEMOGRAPHICS	2015	2017	2018	CHANGE	% +/-
TOTAL AGGREGATE INCOME (IN MILLIONS)					
1 MILE RING	\$669.40	\$832.60	\$872.40	\$39.80	4.78%
3 MILE RING	\$4,799.30	\$6,088.50	\$6,327.80	\$239.30	3.93%
5 MILE RING	\$13,883.50	\$17,937.40	\$18,780.10	\$842.70	4.70%
PER CAPITA INCOME					
1 MILE RING	\$22,873	\$28,132	\$29,992	\$1,860	6.61%
3 MILE RING	\$24,234	\$30,744	\$31,798	\$1,054	3.43%
5 MILE RING	\$29,343	\$37,351	\$39,000	\$1,649	4.41%
MEDIAN FAMILY INCOME					
1 MILE RING	\$47,219	\$57,983	\$61,465	\$3,482	6.01%
3 MILE RING	\$55,673	\$65,852	\$68,608	\$2,756	4.19%
5 MILE RING	\$70,062	\$81,605	\$85,227	\$3,622	4.44%
AVERAGE FAMILY INCOME	2015	2017	2018	Change	% +/-
1 MILE RING	\$55,813	\$69,133	\$76,163	\$7,030	10.17%
3 MILE RING	\$65,942	\$84,326	\$88,944	\$4,618	5.48%
5 MILE RING	\$84,537	\$109,060	\$116,281	\$7,221	6.62%
TOTAL POPULATION					
1 MILE RING	29,264	29,596	29,087	-509	-1.72%
3 MILE RING	198,044	198,039	199,001	962	0.49%
5 MILE RING	473,144	480,242	481,540	1,298	0.27%
MILLENNIALS (AGES 20-34)					
1 MILE RING	7,371	7,610	7,225	-385	-5.06%
3 MILE RING	48,074	48,445	48,807	362	0.75%
5 MILE RING	112,532	116,441	116,572	131	0.11%
GEN X (AGES 35-54)					
1 MILE RING	7,299	7,291	7,107	-184	-2.52%
3 MILE RING	51,046	50,650	50,961	311	0.61%
5 MILE RING	127,771	129,618	129,887	269	0.21%
BOOMERS (AGES 55-74)					
1 MILE RING	5,678	5,734	6,072	338	5.89%
3 MILE RING	37,273	38,259	39,176	917	2.40%
5 MILE RING	87,570	90,363	92,417	2,054	2.27%
AVERAGE HOME VALUE					
1 MILE RING	\$180,678	\$269,881	\$331,282	\$61,401	22.75%
3 MILE RING	\$208,500	\$302,527	\$358,132	\$55,605	18.38%
5 MILE RING	\$284,218	\$348,650	\$413,779	\$65,129	18.68%

Source: DemographicsReports.com

2018 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 2018 budget was **\$479,954**. The BID Board, Executive Director and incoming Executive Director continued to take a frugal approach to budgeting and monitor ROI in all areas. The pie charts below displays the breakdown of the 2018 budget in percentages.



2018 BUDGET ALLOCATIONS

Marketing/Events/Economic Development accounts for 43% of budget or \$246,000: Includes TV & radio marketing for the Havana Motor Mile and all District events, print ads, social media, website, e-newsletter, 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 3% of budget or \$20,000: 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. This budget also includes the 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 \$24,000 of this budget and includes artist stipends, awards, annual gala, and other program expenses. 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 completed in July 2018. In 2019, we plan to add new district identity markers, maintain and repair current ones.

Board Reserves for special projects and succession planning & fees account for 14% of budget or \$77,426.

This category contains the required 3% Tabor reserves \$14,284 and the Arapahoe County Assessor fees \$7,142. \$56,000 was kept in board reserves for succession planning purposes to have enough money to hire an ED in training and 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 27% of budget or \$152,329: \$133,912 for salaries for Executive Director and Executive Director in Training. This includes a 2% raise for the Executive Director. Benefits total \$18,417 and include: \$8000 for group medical health insurance, \$6400 for mileage compensation and \$4017 for 401k matching. Historically, this budget is about 10-12% of the budget with one employee. This is the first year the Havana BID had two full-time employees as of part of the planned budgeted succession plan.

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.

Here is a list of the new businesses that have opened in the last year, businesses that have completed major remodels, or are currently under construction along Havana:

Angry Chicken

Appifix – Device Repair Shop

All Seasons Rent All –New Storefront remodel

Argenta Development – to begin late 2018

Bank of the West – Bank & Lobby remodel

Baskin Robins – New Ownership & remodel

Bettola Bistro

Coco Loco

Cody's Café & Bar – relocation & remodel

Colorado Rapids Junior Soccer & Colorado Storm Merger

Comcast Xfinity – remodeled and relocated

Community Enterprise Development Services – CEDS

E-cig of Denver

El Jarapeo Sports Bar

Epic Mountain Gear

Ethio Motors

Exotic Bird Emporium

Family Medicine of the Rockies

Front Range Kratom

Gary's Full Auto Service - expansion

Happy Tea Denver

Jordan Motors

Kaiser purchased Waterpark II and III for \$25 million

Katsu Ramen – remodel and expansion

K-Town Imports

Koshari Time Cafe @Market Square

Mike Naughton Ford Showroom - Remodel

Schomp Automotive Group – Subaru

Schomp Automotive Group – Mazda

Schomp Automotive Group - Hyundai

Snowl

Spirit Halloween at former Toys R Us

Stampede – New Ownership & Major Remodel

Shortline Buick GMC

Ulta – Remodel

Valentia Building LLC/Prime Management LLC - Havana Square Shopping Center

Village on the Park – Old Navy – Coming Soon 2019

Village on the Park - America's Best Contacts and Glasses – in progress late 2018

Village on the Park - Food Retailer soon to be announced – in progress late 2018

Whisper's

Closures –

Independence House – Replaced by Jordan Motors

Toys R Us – Replacement to be announced first part of 2019

The Salvage Restaurant

New Orient—Replaced by Cody's

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 3rd and Havana. The property was successfully rezoned from PD to mixed use in the summer of 2017 and we have been told to anticipate a ground breaking in the spring of 2019. The plan calls for a combination of town homes and multi-family units in proximity to retail, office, and live/work units, as well as a plaza with splash park and food truck row.
- **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 were replaced in July 2018 to complete our replacement project.
- **Business Watch Program & Prompt Graffiti Removal:** We made multiple 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 in Spanish and English 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 and a Business Watch Card with key contacts and phone numbers 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 follow and comply 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.
- **Low Retail Vacancy Rate:** We have one of the lowest retail vacancy rates of 1.8% in the metro area. 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 and updated the current business profile listings.
- **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. It is the most navigated page on our website.
- **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 and the ED and incoming ED actively attend the Policy and Housing and Neighborhood Services meetings to stay informed and up to date regarding code enforcement and on-going issues.
- **Havana Motor Mile:** The dealership automotive service managers and independent service shop owners in the Havana Motor Mile worked together and with Pickens Technical College on an **auto technician tool incentive program**. The Havana BID funded \$20,000 in 2017 and 2018 budgets to provide 8 technicians a tool package upon employment in a Havana Motor Mile shop upon graduation from Pickens Technical College in 2017 and 2018. This program is an effort to address the severe shortage of automotive tech in the area. In 2019, we proposed to increase the budget to \$15,000 to allow for 6 more technicians in the program.

ACCOMPLISHMENTS: ENGAGE 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 2018 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:

In 2018, the Havana BID budgeted \$94,000 of its annual budget hosting and marketing monthly events to put feet on the street and customers in our businesses, bringing thousands of people to the Havana District to shop, dine and have fun:

1. February 10th: Valentine's Day Gift Baskets from 7 shopping centers given away
2. March, all month: Mom & Pop Small Business Month and drawings
3. March: Grocery Cart Races at Safeway to benefit Comitis Crisis Center
4. April 21: Car dealership reps went on 9news Colorado & Company to talk about the Green and electronic vehicles available for sale in the Havana Motor Mile
5. May 5: Community Rose Garden Clean Up
6. May 29: Rose Garden Concert—17th Avenue All Stars
7. June 8: 11th Annual Cruzin' Havana Volunteer/VIP Dinner
8. June 9: 11th Annual Cruzin' Havana Car Show & Poker Run Event
9. June 26: Rose Garden Concert—Tunisia in concert and annual hoagie sampler night
10. July 15: Annual Ice Cream Progressive Party for National Ice Cream Day
11. July 24: Rose Garden Concert—Dotsero Jazz at the Gardens on Havana & 6th annual District pizza party – 3 songs in cancelled due to hail and lightning storm
12. August 21: Rose Garden Concert—BSP Band Reggae Concert & our annual ice cream social—Rained out & Cancelled, distributed the ice cream treats to 22 businesses and Comitis Crisis Center
13. September 28: Pets on Havana Event – Yappy Hour at Bentley's Pet Stuff
14. September 29: Pets on Havana Event – Pet Dental Wellness Event Petco
15. October 7: Neighbor/business get-together at a Broncos/Jet's Party at Gibby's
16. Oct 27: Halloween Trick or Treating & Costume Contest at The Gardens on Havana
17. Oct 27: Petco & Bentley's Pet Stuff Pet Costume Contest + Freddy's Costume Contest
18. Nov 1: Art 2C on Havana Gala at Shortline Subaru soon to be Schomp Subaru
19. Nov 15: Havana BID Annual Meeting at Stampede
20. Nov 24: Holiday Caroling with the Aurora Singers and Small Business Saturday
21. Dec 1: Secret Santa Saturday – Holiday Gift Card Giveaways

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 store visits, newsletters, blog posts, social media, emails, regular BID meetings, and having the executive director and executive director in training regularly attend Ward, neighborhood, and policy committee meetings.

Havana Street Overlay District Project: As a result of the Havana Street Overlay District, we saw over 15 commercial properties that repaved their parking lots or upgraded their landscaping with xeriscape and trees in 2018.

Art 2C On Havana Sculpture on the Street Project: 2018 marked the eighth year for our Art 2C On Havana Public Art Project. The BID board voted to partner with Aurora Art in Public Places to bring 13 sculptures on loan to the District for our 2018/19 exhibits. We leveraged our \$24,000 budget to over \$152,000 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. We did not add any new ones but have budgeted for new markers for two new future developments, Village on the Park and Argenta. We also budgeted for a new marker at ADI Auto Sport. In 2019, panels are planned on the NW corner of Parker Road and Havana in the new Kimco shopping center that is to be built – Village on the Park. In 2018, we did routine maintenance on the panel signs and did replacement on missing letters. In 2019, we plan to replace the older, weathered panels that were originally installed about 10 years ago.

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 completed the second rack replacement project in July 2018. We also replaced news racks in 2 locations due to traffic accidents in November 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 called, “Argenta.” The financials of this project are set and will consist of for-sale townhomes, apartments, live/work units, office and retail. We expect the development to break ground in Q1 in 2019. The old Fan Fare building was demolished in January of 2014 and look forward to hosting events to attract visitors and residents to the North Havana corridor.

Kimco Village on the Park Redevelopment: Several of the existing building received new facades. A \$14.5M redevelopment is in progress. The southern portion of the center will be demolished and rebuilt. Old Navy will occupy at 13,800 square foot space in the new part of the center. Former Dora’s on the S Parker Rd. area of the shopping center was demolished, and 3 new retail spaces are in construction. America’s Best Contacts & Eyeglasses will also fill a 3,515-square-foot space in the new center, adjacent to TJ Maxx, and the only retail announced as of November 2018.

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 **97.8% leased** vs 94% in 2017. Rents ranged from \$1175+/month for a 657 sf 1-bedroom apartment up to \$1871/month for a 3-bedroom apartment in 2017. Rents now range from \$1270+/month for a 657 sf 1-bedroom apartment and starting at \$2188/month for a 3-bedroom apartment in 2018.

Bella Vita Senior Active Senior Living: Bella Vita is **100% leased** in serving the active adult community. The average age of residents is 66. Each lease ranges from 1-2 bedrooms of 640 sq ft to 1120 sq ft and starting leases at \$1500-2300 a month.

Workforce Development – We actively promoted and advertised for our BID businesses’ open positions and job openings on our website, blogs, posts, newsletters, calendar and on social media platforms.

Creating Jobs on our Havana Motor Mile



Chance Horiuchi, Gayle Jetchick with the Havana BID - On Havana Street - Congratulate Adrian Faudoa, Brandon Whiting & Ryan Woodworth on completing the program and being awarded the Snap-On Tool chest.