

Residents object to special tax district

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BUSINESSDEN

A former Denver City Council member calls it "democracy 101." A current council member says she's "surprised by the level of vitriol and intentional sharing of misinformation."

The topic: a special tax district in Cherry Creek.

Last month, after significant pushback from residents in the ritzy neighborhood, discussions of implementing a general improvement district, which would have paid for improvements by increasing property taxes, were abandoned.

"I've never personally seen that big a pushback on a district — and so early," said Jamie Giellis, a local consultant hired to facilitate the process.

Special taxing districts have been on the rise in Denver.

Ballpark property owners and residents voted overwhelmingly last November to establish a general improvement district, or GID. RiNo's business improvement district, or BID, was renewed for another decade in May. And next month, those along Broadway south of downtown will head to the ballot box to decide whether to establish a GID there.

But a GID won't be headed to Cherry Creek.

Councilwoman Amanda Sawyer, who represents the neighborhood, initiated discussions about one this year and said she hired Giellis for \$15,000. Giellis, who has been involved with the Ballpark, RiNo and Broadway districts, set about gathering community feedback and establishing a possible framework.

Special tax districts, such as GIDs and BIDs, are quasi-governmental entities set up to provide additional services to an area. Most are financed by levying an additional tax on properties within the district.

Sawyer said she initiated discussions of a possible GID in Cherry Creek because she is approached regularly by residents who "want things that the city of Denver is never going to pay for."

"What I hear is, we want what the BID has," she told BusinessDen. "We want that lighting. We want that landscaping. There's no security service."

The BID in this case refers to the Cherry Creek North Business Improvement District, which was the first BID in the Denver area when it was formed in 1989, according to the organization's website. It covers the neighborhood's business district north of the mall, from University Boulevard to Steele Street between First and Third avenues. One major spending area has been private security, which grew from nothing in 2019 to \$800,000 in 2023. *NOTE*

Sawyer said establishing a GID is a way for residents to get their desired improvements.

"At the end of the day, the GID is the right tool," she said.

But the possible GID attracted an organized opposition effort over the summer, despite the formation process being far from landing on local ballots.

The effort was concentrated in the residential part of Cherry Creek North. Yard signs went up, as did a website, showing the words "New Tax New Tax New Tax" flanked by siren emoji.

Among the organizers of that effort was Wayne New, a Cherry Creek resident who represented the neighborhood on the Denver City Council from 2015 to 2019. He said residents are "very tired of increasing property taxes."

"It was democracy 101. So we felt good about that," New said about Cherry Creek's defeated GID effort.

He said a GID in Cherry Creek "didn't make sense to me."

"Cherry Creek doesn't fit," he said. "We pay the highest amount of property taxes in the city. We could easily pay for our own improvements if we wanted to."

Sawyer said Cherry Creek is the No. 1 neighborhood in Denver in terms of the per-capita revenue it provides the city. In terms of total revenue, she said, it's No. 2, trailing only downtown.

"That is a source of frustration for them," Sawyer said of residents.

Dana Busch, another resident who opposed the GID, said residents feel they're the city's "cash cow" and are increasingly paying more and getting less with Denver now charging for trash pickup and sidewalk maintenance. She said that, with the exception of private security, she doesn't think neighbors were asking for things a GID would do.

"We live in a very nice area. ... I think the neighbors got really blindsided and continued to not really understand where this was, coming from in the first place," she said.

Sawyer said she's fine that Cherry Creek decided not to pursue a GID. But she doesn't like how it went down. She said she repeatedly apologized to Giellis for how she was treated.

"I'm surprised by the level of vitriol and intentional sharing of misinformation." Sawyer said.

Busch acknowledged that some "very direct messages" were sent, but said that came when residents asked questions and got "defensive" nonanswers.

"All that did was leave people more frustrated," she said.

Giellis said opponents saw a GID as "just a money grab." They falsely said the money collected would go to the city's general fund and not actually be spent in the neighborhood, she said.

"The announcement of all the budget cuts in the middle of the process certainly didn't make it any easier," she said, referencing Denver laying off 170 employees in August.

New doesn't see a GID as the only way to get improvements. The nearby Country Club neighborhood has roaming private security, he noted. But it's not financed by a special tax district — some, but not all, residents just directly pay for it.

In a July survey conducted by Giellis, 65% of respondents said they were not interested in continuing to explore creating a GID. The process, however, continued for two more months. Sawyer said some of the uninterested respondents wrote that they didn't have enough information to answer.

"I feel bad for the residents of Cherry Creek," Sawyer said. "It was meant to be a solution, and what has happened is it pitted neighbors against each other."

Busch said other neighborhoods should see this as a model to emulate.

"You can effect change," she said. "But you have to get enough people involved and you have to have a strategy."