

## Perry: Pay heed to Lend Lease now or risk a geek tragedy

Print Page

By **DAVE PERRY**  
Editor, **The Aurora Sentinel**

Published: Thursday, January 14, 2010 4:09 PM MST

Perhaps the city should channel Aesop for some guidance on the controversial Lend Lease proposal to build the enviable Horizon Uptown community on what's now empty pasture and prairie in northeast Aurora.

Amidst growing consternation, the Aurora City Council, which is also the Aurora Urban Renewal Authority Board, gave the first green light to the ballyhooed Lend Lease development corporation to make a serious pitch to use about \$90 million in tax revenues to help finance a kicky \$1.5 billion urban housing, retail and business estate near I-70 and E-470.



In a city that's seen a lot of promises and a lot of development, truly, this one stands out for a many reasons, which is why it's getting to much attention.

For those who have lives and don't follow the daily soap opera of the local and international development industry, the Australian-based Lend Lease has built a reputation for creating snazzy communities and big projects. These are the folks who got the contract to restore the Statue of Liberty and build an Olympic village in Sydney. They are also, by the way, the same Lend Lease that walked away from the massive and now defunct State Land Board mega-project on Aurora's southern border, part of the old Lowry Bombing Range.

What Lend Lease wants to do now is build a little burg of about 8,000 people right here in Aurora that would offer five vogue neighborhoods all connected together with trendy bike paths and quaint parks. The village would have its own schools, community center and a library. It would offer a "main street" with smart shops and popular retail outlets and offices with hip lofts above. Think gaggles of Vespas, yoga pants, wine bars, and the beautiful people who live the kind of life where they can really appreciate a mere 15-minute commute to Denver International Airport or a place to tool around on their pink or blue cruiser bikes after a long day at the Anschutz Medical Center.

This, my friends, is a pinch-me moment for Aurora officials. One of the top developers in the world wants to create one of the trendiest, most enviable communities right here in the same town that's home to the indestructible Fan Fare monstrosity on Havana Street.

There is, however, a catch, just like there is in all good fables.

In order to get the green trails, the 11,000 new, high-paying jobs filling the 4 million square feet or so of gorgeous new office space, the 1.3 million square feet of spanky stores and boutiques, the state-of-the-art public school system, the parks, the ponds and all those pretty people on cruisers, Aurora has to sign over property taxes destined for the city and the school district for a long, long time, letting Lend Lease collect about \$90 million of the take.

This is where it gets tricky. It's not as if Lend Lease were asking for a check from the Aurora General Fund. The project hinges on first declaring the site an urban renewal zone, which allows the city to then create a special taxing entity called a Tax Increment Finance district. Stay with me here. The way a TIF district works is pretty simple. Lets say that all the property within the Horizon Uptown project now generates \$1 million in property taxes each year. That becomes the baseline. It's sort of a "build it and they will pay" system usually intended to pay for new roads or other infrastructure to make a project possible. As the houses are built and offices are opened, property values go up, and so do the taxes. Any property taxes within the project boundaries above \$1 million goes into the TIF district kitty, and Lend Lease wants the kitty all to itself for a long time.

Their argument is that if they don't build the project, that "extra" tax money would never be generated, so Aurora and other governments losing out on the increased taxes never would have had them in the first place. And in exchange, Aurora gets new schools, parks, a library and all those pretty people filling the city's sales-tax coffers when they stop off at Starbucks and the chi-chi bicycle shop each day. Lend Lease promises the city will lose about \$20 million in TIF district taxes, but it will gain that amount many times over in new sales taxes and other economic development.

As for the schools, which would lose about \$60 million in property taxes, they're in front of the parade. Under the current deal, Lend Lease would build a posh K-8 campus and possibly a high school, and the Aurora Public Schools District wouldn't lose one thin dime. That's because under current law, the state has to "backfill" the lost revenue to the school district.

That niggling little detail has caught the attention of some state lawmakers, who say that with the state's current budget debacle, the notion of subsidizing a swank Aurora housing development on the backs of students in Alamosa and all over the state is obscene.

Spoilsports.

For the record, I don't recall many Alamosa lawmakers begging the rest of the state to send extra money to Aurora Public Schools, which has some of the poorest, neediest, non-English speaking students in the state. I also am searching hard for state lawmakers who have demanded that the state transportation department quit building conveniences in Broomfield and Wheat Ridge and instead widen the woefully inadequate I-225 as they promised to do decades ago but just can't seem to get it together. I can't think of anyone in the Legislature who stormed any RTD meetings to demand that the FasTracks light-rail officials make good on Aurora's evaporating share of the project.

Clearly, we must as a society, and quit acting like the eminently creepy Nebraska Sen. Ben Nelson, who during health care reform negotiations blackmailed the country into paying for his state's Medicaid expenses so he could live with himself for not changing federal abortion law one iota.

State Sen. Morgan Carroll, D-Aurora, recently pointed out how short-sighted deals like this could be. "Them," she points out, is "us."

What would Aesop do? He would almost certainly tell a story that had Aurora ruing the day it ever said "yes" to something that was just too good to be true. There are, of course, little problems with an oversaturated high-end housing market, massive office vacancies, a local and national economy in the toilet and a city budget on the verge of collapse. Aesop would tell us that the pretty people would all have their toga parties in Denver, or all of the prairie dogs would march on city hall for equal treatment.

It really begs the question, if this is such a good idea, why do Aurora taxpayers have to help fund it? Have we come to the point where for-profit businesses demand public money to build new homes and businesses?

Yes. It makes it clear that there ain't nothin' for free, folks. Cool communities cost money, and we either

pay up front through TIF districts or in incentives or later in higher school taxes. While there may be something fundamentally wrong with asking all Aurora taxpayers to help subsidize one development, it's pretty much how anything and everything gets built these days: roads, schools, stadiums. You name it.

Aurora did the right thing by moving this along. Now it's time to look closely at the plan to make sure we aren't feathering an arrow likely to financially slay us in the future or in some other way become fodder for a story for future ages illustrating what never to do.

*Dave Perry is editor of the Aurora Sentinel. Reach him at 303-750-7555 or [dperry@aurorasentinel.com](mailto:dperry@aurorasentinel.com).*

Copyright © 2010 - Aurora Sentinel

---

[x] Close Window