

BizWest

THE BUSINESS JOURNAL OF THE BOULDER VALLEY AND NORTHERN COLORADO

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April 13 Embassy Suites, Loveland

QUOTABLE

“It’s not a done deal, but equity is being raised, and the city is doing its part. Let’s say it’s very encouraging.”

Bob Tointon, on efforts to bring a new hotel and meeting center to Greeley. **Page 18**

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JONATHAN CASTNER/FOR BIZWEST

Roger Walz, sales manager and “beer ambassador” at Wild Goose Canning shows off the company’s beverage-packaging equipment in Boulder.

Brewers take a gander at canny Wild Goose

By Tommy Wood
news@bizwestmedia.com

BOULDER — You never know what can happen when you just help your neighbor, as the people at Wild Goose Canning can attest.

The company began as a friendly service to a brewer in its office building who was upset with its canning system. Wild Goose developed something more efficient for the brewery, and its design was so revolutionary that it spun into a full-time business.

Now, Wild Goose’s systems are in more than 200 breweries across the nation, plus three in Australia, two in England and one in Norway.

“None of us sat around five, five and a half years ago thinking we would be where we are right now,” said Roger Walz, sales manager at Wild Goose.

Founding engineers Jeff Aldred and Alexis Foreman build the canning systems and handle engineering and development; Walz’s bio on Wild Goose’s website lists him as the company’s “beer ambassador.” He’s always been interested in beer, even in the then-barren New England craft-brewing market where he spent his youth.

Walz moved to Colorado in 1991, where he taught about beer in Denver,



JONATHAN CASTNER/FOR BIZWEST

Arni Augustsson works at the Wild Goose Canning plant in east Boulder.

then moved to Boulder to run the taproom at Avery Brewing. He’s a certified cicerone, which is the beer equivalent to a sommelier. Walz, an old family friend of Aldred and Foreman, came to Wild Goose at the beginning as a consultant, then Aldred and Foreman hired him full-time.

Wild Goose sells its origin story as “one unhappy brewer, five cans a minute, two engineers and a few cold ones.” The brewer in question is

Upslope, which has been a staple of the Boulder beer community since 2008. Wild Goose was called Wild Goose Engineering back then, and the company had no plans to get involved with canning.

But Wild Goose and Upslope shared a wall in their building, and the brewers at Upslope approached Wild Goose with their problem: Their canning system had to be operated manually, and it was wildly inefficient.

Wild Goose Canning

- **CEO:** Jeff Aldred, CEO
- **Employees:** 43
- **Revenue:** Undisclosed, but projected to more than double in 2016
- 1750 55th St., Boulder, CO 80301
- 720-406-7442

“We had a couple things they wanted and needed,” Walz said. “We had a machine shop, and engineers with some time on their hands. And they had a couple things that we wanted and needed. One was space to have meetings. And, two, they had beer.”

Wild Goose and Upslope have a close relationship to this day. When both companies needed space to expand, Wild Goose moved to a new building and stipulated that their old space be reserved for Upslope.

The canning system that Wild Goose developed for Upslope was automated, which allowed the brewers to meet the market’s demands for their beer. Wild Goose’s systems can up to 95 beers a minute, 19 times more than Upslope’s old system, and this improved efficiency helped push Upslope from the red to the black.

Wild Goose’s canning systems are revolutionary because of their size

Please see **Goose**, page 4

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Goose, from 3

and mobility. They can fit in a truck, which can be driven to a brewery so the beer can be canned onsite without taking up additional space in the brewhouse. That has allowed many smaller breweries to can their beer when they previously would have been unable.

"They don't need to have bigger space, they don't need to buy a bigger building, they don't need to blow out a wall, but it's still getting their product and brand recognition on the market," Walz said.

Wild Goose didn't immediately decide to commercialize its new product, at least to the degree that it is today. However, the company did see a place for itself in the market, which Walz helped identify when it hired him.

Canning, rather than bottling, is attractive to craft breweries for many reasons. Cans prevent light from getting into the beer, chill faster, and are lighter, more portable and more easily recyclable.

"The initial work was more to help our neighbors," Walz said. "And it was fun. Then this thing started rolling."

It started rolling at the 2011 Craft Brewers' Conference in San Francisco. Then, Wild Goose's system was still just a cool idea it thought would be viable on the market. Walz, Aldred and Foreman did their own marketing the night before the show on the floor of the convention center. They had a booth in the corner of a small room, and people just kept coming. They were so busy

"I was talking to my coworkers in a Monday morning meeting, and even as tired as I was, it's moments like that, just still being super continually excited about what we do."

**Roger Walz,
Wild Goose sales manager**

that they didn't have time to process the exposure their company had just gotten; Walz realized it as they drove over the Golden Gate Bridge on the way back to Colorado.

Wild Goose filled almost 200 orders from the conference, and now its website is filled with the testimonials of those who use their systems.

"Not every company I work with gives this kind of customer support, but it is a huge relief to know that when we call you guys with a problem, there's someone that gives a (hoot) on the other end," said Jeff Erway of La Cumber Brewing Co. "Keep kicking ass."

"We truly love what we do, and we're very grateful to do this every day," Walz said. "I was talking to my coworkers in a Monday morning meeting, and even as tired as I was, it's moments like that, just still being super continually excited about what we do."

Not bad for starting with beer with your neighbors.



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Posted Feb. 1.

ESTES PARK — A modified wellness-center plan at the iconic Stanley Hotel and a downtown performing-arts center will move forward, thanks to votes of approval by Estes Park's town board of trustees. Mayor Bill Pinkham cast the tie-breaking vote in the board's 4-3 decision to approve the Stanley's plan to add a

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Posted Jan. 27.

BROOMFIELD – Software company VMware Inc. (NYSE: VMW) is laying off 86 employees in Colorado, including 38 at its office in Broomfield. The figures come from a Worker Adjustment and Retraining Notification Act notice filed by the company with the state of Colorado. In the WARN notice, VMware officials indicated that the Colorado

Posted Jan. 27.

Posted Jan. 27.

DENVER — Colorado Impact Fund announced a \$3 million investment in Galvanize to help with that company's growth plans, which include moving its Boulder campus into the new PearlWest development later this year. Colorado Impact

Posted Jan. 21.

Posted Jan. 21.

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City's eco-devo arm rebrands, refocuses

By Dallas Heltzell

dheltzell@bizwestmedia.com

LONGMONT—Pledging to develop a more comprehensive, collaborative strategy for luring business and including more segments of the populace in the benefits of growth, the Longmont Area Economic Council announced Jan. 20 that it is changing its name to the Longmont Economic Development Partnership.

“The new name, the change from ‘council’ to ‘partnership,’ is really our way of saying that we are committed to a true public-private, communitywide partnership for benefit of the long-term economic health of Longmont,” said Jessica Erickson, the organization’s president. “Further, focusing on these four core service areas we believe gives us the best opportunity to make a positive, notable impact across all facets of the local Longmont economy.”

The announcement was made to area business and government leaders at the Longmont Museum’s Stewart Auditorium during the LEDP’s “Evolution of Economic Development” event.

Erickson said the group’s new focus would be on four service areas: the “Advance Longmont” initiative, plus outreaches to primary industry, local business and the startup community.

The “Advance Longmont” effort is such a partnership, according to a statement by the newly branded LEDP, with the group, the city and 10 other community and business organizations each having “a strategic focus on various objectives of the plan that include marketing the community, maintaining a positive business climate, upgrading infrastructure, improving Longmont’s quality of life, advancing education and workforce development, and fostering innovation and entrepreneurship.”

A 501(c)(6) nonprofit organization founded in 1981, the group is funded by the city of Longmont, Boulder County and the Platte River Power Authority, as well as more than 150 private-sector businesses.

Keynote speaker Amy Liu, vice president and director of the Brookings Institutes’ Metropolitan Policy program, declared that the key to keeping up with economic change is to “build an economy that works for people” because “productivity and growth is not keeping up with population growth.” She used metropolitan Denver as an example, noting that it outperforms the nation in job growth, but lags in income growth.

“Its economy is less inclusive,” Liu



COURTESY LONGMONT ECONOMIC DEVELOPMENT PARTNERSHIP

Attendees at the Evolution of Economic Development event in Longmont gather new promotional materials for the renamed Longmont Area Economic Council, now known as the Longmont Economic Development Partnership.



Longmont Economic Development Partnership

■ 630 15th Ave., Suite 100A
Longmont, CO 80501

■ 303-651-0128

■ www.longmont.org

said. “It has a higher share of workers of color earning less than their peers nationally.” She added that 95 U.S. metropolitan areas have seen increases in job growth, but only eight have had an increase in inclusion across economic levels.

Economic-development efforts traditionally have been “too focus on quick wins and too often leading with subsidies,” she said. Most produce mixed results, she added, and “taxpayers can’t afford that kind of (return on investment).”

The focus for economic-development organizations such as Longmont’s newly named group, Liu said, should be on “getting markets right”

“The new name, the change from ‘council’ to ‘partnership,’ is really our way of saying that we are committed to a true public-private, communitywide partnership for benefit of the long-term economic health of Longmont.”

Jessica Erickson, president,
Longmont Economic Development Partnership

– including focusing on global trade, increasing productivity and building a pipeline of skilled labor and a modern infrastructure – and “getting civics right” by “doing what markets alone cannot do.” She urged the LEDP to “focus on disparities between neighborhoods” and on “retraining people in older industries before they’re displaced, instead of waiting until they lose a job.”

Dallas Heltzell can be reached at 970-232-3149, 303-630-1962 or dheltzell@bizwestmedia.com. Follow him on Twitter at @DallasHeltzell.

NEWS&NOTES

Woodley brothers buy showroom building

The Woodley brothers have purchased the showroom their company occupies at 1400 Main St. in Longmont.

Pat Woodley and Mike Woodley, owners of Woodley’s Fine Furniture Inc., paid \$3.1 million for the 157,000-square-foot showroom to 1400 S. Main LLC, an entity registered to Jo Ann Sindelir, according to public records. Jo Ann Sindelir, along with her husband, Leo, operated Sindelir Home Furnishings until 2006 at the location.

Woodley’s designs and manufactures hardwood furniture in its factory at 320 Sunset St. in Longmont and operates showrooms in Fort Collins, Centennial, Lakewood, Colorado Springs and Northglenn in addition to Longmont.

Terralux to show off expanded facility Feb. 18

LED-lighting manufacturer Terralux Inc. will hold an open house on Feb. 18 to show off its newly expanded facility and a new product.

The company, which moved to Longmont in 2010, expanded from 15,200 square feet to 22,733 square feet by acquiring an adjacent, vacant space at its existing location at 1830 Lefthand Circle in Longmont.

“It gives us more room for research and development, engineering, our manufacturing floor, shipping floor and warehouse,” said Matthew Sallee, the company’s director of strategic marketing, adding that Terralux will show off its cloud-based “LEDsense” smart-lighting technology that not only illuminates a room but also can control HVAC systems and more.

Terralux also plans to hire more engineers and other STEM-related employees to support its growth.

Pinetree Peripherals files for Chapter 7 bankruptcy

The downturn in the oil and gas industry has claimed a Longmont business that served energy companies by providing service and support for their legacy tape-based data storage libraries.

Pinetree Peripherals Inc., filed for Chapter 7 bankruptcy protection in January in U.S. Bankruptcy Court in Denver.

Founded in 1992 by former Storage Technology Corp. veteran Chuck Tilleman, the company had seen much of its business dry up, particularly over the last year and a half as the price of crude oil plummeted from more than \$100 per barrel to less than \$30 per barrel.

Pinetree’s bankruptcy filing shows the company owed unsecured creditors more than \$529,000. That includes nearly \$340,000 owed to Tilleman and his wife, Mary Ann. The next largest creditor is Bank of America, which is owed nearly \$65,000.

The filing shows that the company has \$189,000 in assets, mostly in inventory that includes tape drives, libraries and spare parts. A liquidation sale will be held to try and pay off as many creditors as possible.

Public policy: A chamber of commerce's sandbox

In the short run, business people in Colorado worry about today's inventory. They deal with the immediate needs of their customers. They are concerned about the workers who show up this morning, and how much their team will accomplish by the time the sun sets.

Sometime between the demands of today's challenges and tomorrow's opportunities, they'll take a breath and consider how the business plan for 2016 is going.

Meanwhile, economic forces are at work that will demand attention in the near future, even though the results won't be seen for years. These large-scale problems and solutions often involve city, state and national governments. Chambers of Commerce – privately-funded organizations representing a wide range of local businesses – typically enter the public-policy arena to carry the views of those who are outside the government, but are very interested in transportation, education, health care, natural resources and associated legislation.

The Longmont Area Chamber of Commerce is one of the players in this sandbox.

We're staying informed – and lifting our voice when appropriate – when those economic forces and government decisions affect the ability of business people to get their important work done.

For example, we co-hosted the recent Building a Better Colorado focus group discussion here in Longmont. A bipartisan coalition is looking at the ease with which amendments are tacked on to the state's constitution. It is possible we're slowing down education and infrastructure growth by adding well-meaning but conflicting laws and regulations. Also discussed: Changes in state primaries to allow unaffiliated voters an equal voice, and the quandary of state revenue limits conflicting with spending mandates.

Many communities in Colorado have been frustrated by the lack of housing that is affordable for the

workers needed in business and industry. Some cities have passed local ordinances due to the state's inability to pass a comprehensive construction-defects law that offers both consumer protection and encourages builders to provide the condos and townhomes workers can afford. We were at the Longmont City Council meeting recently to stay in touch as the city of Longmont decides if it will also pass an ordinance, or wait for this year's Legislature to act.

A group of Chambers stretching from the northern Colorado border to south metro Denver are joining to form the Fix Colorado Roads movement. We're involved in conference calls to see the best way for our community to be certain important infrastructure such as Interstate 25 is maintained and improved.

The Longmont Chamber's Public Policy Committee meets monthly. City Manager Harold Dominguez met with business owners and managers at our most recent meetup to outline progress on the Resilient

St. Vrain flood-recovery project, and to answer questions about the city's overall plans.

That committee and staffer Scott Cook are working now to produce the Chamber's Unity in the Community event on Feb. 25. Literally hundreds of local, state and national elected officials will be on hand at the Plaza

Hotel in Longmont from 5:30 to 7:30 p.m. to meet with constituents. Last year's event attracted more than 700 attendees, despite blizzard conditions. Good weather should mean more than 1,000 attendees. We're inviting nonprofit groups to set up displays and take advantage of the crowds to inform their future volunteers and donors. Aspiring candidates are often on hand to meet and greet the public.

Our Chamber members are busy taking care of business daily. While the Chamber is seen on the streets with the occasional ribbon cutting, groundbreaking or after-hours event, our higher calling is to represent those businesses when the bigger issues threaten or enhance their ability to survive.

Bruce R. Partain is president and chief executive of the Longmont Area Chamber of Commerce.



LONGMONT VOICE
BRUCE PARTAIN

A bipartisan coalition is looking at the ease with which amendments are tacked on to the state's constitution. It is possible we're slowing down education and infrastructure growth by adding well-meaning but conflicting laws and regulations.

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BW FORT COLLINS BIZ

Rodelle tastes sweet success

By Curt MacDougall
news@bizwestmedia.com

FORT COLLINS — Vanilla extract producer Rodelle Inc. is marking 80 years of business, with no signs of slowing down.

The firm was started in 1936, when the Rodelle family moved to Denver from the south of France. Unable to find suitable vanilla extract for their baking needs, family members solved the problem themselves by opening Rodelle Laboratories. Initially a wholesale producer, the company was sold in 1984 and moved to Fort Collins, where it began supplying extract for the retail market as well.

Now, according to marketing manager Jenna Baker, Rodelle is one of the largest vanilla extractors in North America. “Nationally, we’re in over 75 percent of grocers, and we also have international distribution,” she said. Clients run the gamut from Kroger and Target to local bakeries and specialty shops.

One of those bakeries is Mary’s Mountain Cookies, a Fort Collins institution for more than 20 years. As owner Mike Neal explained, “It all comes down to price and quality. I’ve been doing this a long time and you can tell those subtle differences when it comes to extracts or flour or sugar. ... We’ve tried other brands and Rodelle’s is far superior.”

While vanilla extract remains the company’s primary product, Rodelle has branched out with other flavorings and seasonings. These include a gourmet baking cocoa as well as premium spice blends such as brisket rub and turkey seasoning.

“We also make a wassail, which is a mulling spice for cider and wine,” Baker said, “and we do some private label products for various restaurants and bakeries.”

A recent expansion roughly doubled the size of the company’s facility, push-



JOEL BLOCKER/FOR BIZWEST

Landis Wadena, an employee with Rodelle Inc., works on the vanilla extract bottling line. A recent expansion roughly doubled the size of the company’s facility.

Rodelle Inc.

- **Owners:** Joe Basta and Daniel Berlin
- **Employees:** 60 local (seasonally as high as 80)
- 3461 Precision Drive, Fort Collins, CO 80528
- 800-898-5457
- www.rodellekitchen.com

ing it to 67,000 square feet. Currently, Rodelle maintains a staff of about 60 employees, but that number swells on an annual basis.

“Vanilla extract is in high demand for the holiday baking season, between Thanksgiving and Christmas, so our production ramps up each year around late July and into August to accommodate,” Baker said. “At any point in our busy season, we’ll have at least 10 to 20 extra employees.”

While the firm maintains impressive

gains, reporting double-digit growth each of the last 10 years, it also hopes to foster social change. Baker said Rodelle co-owners Joe Basta and Daniel Berlin are committed to making an impact on those regions where the vanilla beans are grown, mainly Madagascar and Uganda. In an effort to improve the standard of living in these developing countries while also nurturing sustainable and fair farming practices, part of Rodelle’s proceeds go to social programs that directly benefit the farmers and communities producing the beans the company uses.

Meanwhile, Rodelle is always looking to expand its reach.

“There’s a lot of interest in new markets, specifically in Asia, that may not have the same baking heritage as Europe and North America,” Baker said, adding that those markets look promising.

“We just started distributing our baking cocoa to Japan,” he said, “and that proved to be very successful over the holiday season.”

NEWS&NOTES

Warren Federal rekindles plan to build FoCo branch

Warren Federal Credit Union is reviving three-year-old plans to build a branch bank on the south side of East Drake Road between Illinois and Iowa drives, its second in Fort Collins.

The Cheyenne, Wyo.-based credit union had planned to build the branch in 2012 at that location but opted to open a branch at 181 Boardwalk Drive east of South College Avenue, when a building at that address came open, said Mike Nagl, a senior vice president and chief lending officer.

Warren is proposing to divide the two-acre site it bought in 2011 into three lots and one tract. Lot 3 is proposed to be developed first with a two-story building for the credit union as well as other office/retail uses. Future buildings on Lots 1 and 2 — facing Illinois Drive west of the bank/retail building — will be reviewed at a later date. The remaining portion of the site will include 88 shared parking spaces.

Warren Federal Credit Union, founded 63 years ago, is in the process of merging with Broomfield-based Community Financial Credit Union, which has two locations in Broomfield and one in Boulder. The merger is expected to be completed this spring.

County spokeswoman retires after 20 years

Deni La Rue, who for 20 years has been community information manager for Larimer County, retired effective Feb. 3.

Besides serving as a media liaison with county officials, La Rue worked with Fort Collins’ cable channel 14 to broadcast county meetings and videos and produced “That Larimer County Show.” She established a “Larimer County 101” guide for citizens more than five years ago, and has won Colorado Broadcasters Association awards two years in a row for the “Community at Work” show on community radio station KRFC-FM 88.9.

Her experience in radio stretches to 1974, including news and music programming and work at KTCL-FM 93.3, KCSU-FM 90.5 and KUNC-FM 91.5.

La Rue received a bachelor’s degree in journalism and a master’s in technical communication from Colorado State University.

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Economic Health Office promotes innovation, sustainability

Sustainability is an integral part of day-to-day operations at the city of Fort Collins, particularly when it comes to integrating the triple bottom line into all that we do. City Council has approved a strategic plan that gives equal weight to the environmental, economic and social health of our community. In 2015, the city's Economic Health Office took that commitment a step further with an updated strategic plan with five key themes: Community Prosperity, Grow Our Own, Place Matters, The Climate Economy and Think Regionally.

While sustainability is woven throughout the plan, "Grow Our Own" is a commitment to truly nurture our entrepreneurial spirit and innovation across the spectrum of companies and to support the development of new, creative industries.

Innovation is the heart of sustaining the local economy, a fact our City Council recognized in May when it identified fostering an Innovation Community as a priority. Our entrepreneurial spirit caught the attention of Fast Company when it ranked our patents per capita in the top three in the world in 2007; we produce roughly 10 patents per 10,000



FORT COLLINS VOICE
JOSH BIRKS

residents annually. It's what led to our inclusion in the Smithsonian's National Museum of American History as a "Place of Invention" in 2015. It's what drives the popular annual Blue Ocean Challenge that attracts emerging companies and entrepreneurs to compete for prize money and national attention.

So what is the city's role in innovation? We serve as a funding agency, collaborative partner and advocate for a thriving economic ecosystem. Collaboration with the business community ramped up in 1998 when the city launched the Fort Collins Technology Incubator Program, which would later become Rocky Mountain Innosphere. The city's Economic Health Office continues its financial support of Innosphere, and more recently, in 2006, the city began financial support of Targeted Industry Clusters to catalyze new technological innovation into the development of successful startup businesses and products.

In the 2015-16 budget, as part of the city's Budgeting for Outcomes process and the Keep Fort Collins Great Enhancement, City Council allocated \$400,000 for Targeted Industry Clusters through a competitive funding process. In total, the city has \$175,000 available for allocation each year, and received \$377,000 in funding requests in 2015. An additional \$25,000 was reserved for the purchase of board seats and programmatic support.

In 2016, CSU and the city will map the assets of our local innovation ecosystem, in an effort to identify regional strengths, address industry challenges and develop a pipeline of impactful community investments.

The city also remains a formal partner with Colorado State University and the Colorado Clean Energy Cluster in the ongoing programs of FortZED, which grew out of the UniverCity Connections Initiative in 2007. Initially a zero-energy district, FortZED is an ongoing unique partnership for developing and testing energy-saving technologies that has attracted national and international attention.

Knowing that small businesses add the majority of jobs in our community, in 2014, the city financially supported Fort Collins Startup Week, which showcased local entrepreneurs and matched state funding for a CSU Ventures grant program. We also worked to assist businesses at the state and federal level by participating in the State Sector Partnership formation and financially

supporting the Larimer Small Business Development Center for 2015-16.

Those partnerships for our Innovation Community continue to evolve. In 2016, CSU and the city will map the assets of our local innovation ecosystem, in an effort to identify regional strengths, address industry challenges and develop a pipeline of impactful community investments. Measuring and tracking our performance in this area will give us a baseline and also help us compare our progress with other communities.

We exist in the Economic Health Office to provide business support, specifically to:

- ensure alignment of resources across the community to incubate new businesses and support entrepreneurs, promote the concept of a local economy through support of emerging clusters,

- work with partners to identify barriers to spin-out, new business formation and conversion of intellectual property to economic activity, and

- encourage the city, large employers and partners to procure required resources locally.

Need assistance? Let us know how we can help.

Josh Birks is director of the Economic Health Office at the city of Fort Collins. Contact him at 970-416-2170 or jbirks@fcgov.com.

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DEALS

OF THE YEAR

What are the top transactions for 2015 in the Boulder Valley and Northern Colorado? BizWest's inaugural "Deals of the Year" for 2015 run the gamut from burgeoning apartment complexes and health-care facilities to a redeveloped mall, a new football stadium and a toy that would feel more at home on a distant planet.

Nominations were evaluated by the BizWest editorial team, with consideration given to impact, complexity and size of the deal, both in terms of dollar volume and, when appropriate, square footage. Deals could include mergers, acquisitions, construction projects, leases, sales, venture-capital funding and expansions.

Here are the winners and finalists in each category:



COURTESY BELL PARTNERS INC.

The Horizons at Rock Creek apartment complex in Superior was acquired for \$250 million and renamed Bell Flatirons.

APARTMENTS

Rock Creek apartment complex sells

■ **Value:** \$250 million

■ **Players:** Bell Partners Inc., buyer; Simpson Housing LLLP, through Apartment Realty Advisors Newmark, seller

Bell Partners Inc. of Greensboro, N.C., in April purchased the Horizons at Rock Creek apartment complex in Superior, one of the largest multifamily communities in the Denver metro area.

Bell Partners bought the 1,206-unit complex from Denver-based Simpson Housing LLLP for \$250 million and renamed it Bell Flatirons.

The complex, at 2200 S. Tyler Drive, was built in multiple phases between 1997 and 1999 by Simpson Housing. It is made up of three phases: Watters Edge, Prairie's End and Cross Creek. Watters Edge has 586 units of mostly townhomes and apartments with one- and two-car attached garages. Prairie's End has 360 units, and Cross Creek has 260 units, each with its own garage.

Runners-up:

■ **Retreat at Flatirons, Broomfield:** Invesco Real Estate, a division of Atlanta-based Invesco Ltd. (NYSE: IVZ), in April bought the 374-unit Retreat at the Flatirons under the entity Flatirons Apartments LLC for \$94.5 million from Denver-based Etkin Johnson Real Estate Partners.

■ **The Province, Boulder:** Memphis, Tenn.-based EDR (NYSE: EDR), formerly known as Education Realty Trust, bought The Province student-housing complex in Boulder in September for \$48.8 million, or nearly \$581,000 per unit, from Ohio-based Edwards Student Housing Management Co.



Premier Federal and Boulder Valley credit unions merged, creating a financial institution with \$820 million in assets.

BANKING AND FINANCE

Premier, Boulder Valley CUs merge

■ **Value:** \$820 million in assets

■ **Players:** Premier Members Federal and Boulder Valley credit unions

Two Boulder-based credit unions — Premier Members Federal Credit Union and Boulder Valley Credit Union — merged in May, creating a financial institution with \$820 million in assets.

The new organization eventually will operate as Premier Members Credit Union and use Boulder Valley Credit Union's state charter. The credit unions will operate under their current names until account, service, and system integration is completed in May. Staffs at both credit unions, approximately 185 full-time workers and 25 part timers, were retained.

The combined organization will have assets of approximately \$820 million, about 65,000 members and 17 branches in Boulder, Louisville, Longmont, Firestone, Arvada, Westminster, Greenwood Village and Estes Park.

Runners-up:

■ **Foundry Group, Boulder:** Boulder-based venture-capital firm Foundry Group in July closed its fifth \$225 million investment fund, Foundry Venture Capital 2016 LP.

■ **Boulder Ventures, Boulder:** Boulder Ventures Ltd. in late April completed raising its sixth investment fund, worth \$61 million, bringing the total raised during the past 20 years to \$371 million.



COURTESY W.W. REYNOLDS

4909 Pearl Parkway in Boulder was one of several buildings included in a mega real estate deal valued at \$209 million between W.W. Reynolds and Unico Properties.

COMMERCIAL REAL ESTATE

Unico pays Reynolds \$209 million

■ **Value:** \$209 million

■ **Players:** Unico Properties LLC/AEW Capital Management LP, buyers; W.W. Reynolds, seller

Seattle-based real estate investment company Unico Properties LLC in January paid approximately \$209 million to Boulder-based W.W. Reynolds for 1.5 million square feet of commercial property in Boulder and Fort Collins.

Public records show that Unico paid Boulder-based W.W. Reynolds approximately \$41 million for 24 commercial properties totaling 507,005 square feet in the Prospect East Business Park in Fort Collins and \$168 million for 27 buildings totaling 1 million square feet of property in Boulder through 13 transactions.

According to Boulder County property records, various affiliates of Unico were used in a series of 13 transactions recorded Jan. 29 for properties in Boulder.

Runners-up:

■ **Boulder Community Health Campus, Boulder:** The city of Boulder formally closed in December on the \$40 million purchase of the 8.8-acre Boulder Community Health campus at the southwest corner of Balsam Avenue and Broadway. The city has identified the site as a key redevelopment opportunity.

■ **S'PARK, Boulder:** Real estate investment firm Kinship Capital and investment firm/developer The John Buck Co., both based in Chicago, formed a new joint venture with current S'PARK developer Element Properties of Boulder and in late December paid a combined \$18.5 million for the redevelopment of the former Sutherland's lumber yard site at 3390 Valmont Road in Boulder.



COURTESY COLORADO STATE UNIVERSITY

An artist's rendering shows Colorado State University's new on-campus stadium, planned for completion in 2017.

CONSTRUCTION

CSU building new football stadium

■ **Value:** \$238 million

■ **Players:** Colorado State University, Mortenson Construction and subcontractors

Culminating a years-long planning process that sparked bitter divisions in the community and even among its faculty and students, Colorado State University broke ground in Fort Collins in September for a 36,000-seat on-campus football stadium including a separately financed \$18 million addition for academic space and an alumni center. The stadium is slated to open for the 2017 season, replacing aging Hughes Stadium west of the campus.

After a private fund drive failed to garner even one fourth of its \$110 million goal for the project, CSU's Board of Governors approved selling \$242 million in bonds to pay for the stadium; including principal and interest, the total cost over 40 years will be \$451 million. General contractor Mortenson Construction gave CSU a price guarantee for the \$220 million cost of the athletic portion of the facility to shield the university from cost overruns.

Runners-up:

■ **Google, Boulder:** A groundbreaking ceremony was held Aug. 4 for Phase 1 of a new 300,000-square-foot campus for Google Inc. (Nasdaq: GOOG) near the intersection of 30th and Pearl streets in Boulder.

■ **Hotels and offices, Boulder:** Ground was broken in April at the site of the former Golden Buff Hotel and Eads Newsstand on the northwest corner of 28th Street and Canyon Boulevard in Boulder for a 203-room Embassy Suites hotel, a 172-room Hilton Garden Inn and a 42,000-square-foot office building, as part of a redevelopment spearheaded by Denver-based NAI Shames Makovsky and Boulder developer Lou DellaCava's LJD Enterprises.



COURTESY WOODWARD

Woodward's new headquarters in Fort Collins represents a years-long investment by the company, which made big strides in 2015.

ECONOMIC DEVELOPMENT

Fort Collins OKs Woodward rebates

■ **Value:** \$2.1 million

■ **Players:** Woodward, city of Fort Collins

The year 2015 was significant in a years-long economic-development project involving Fort Collins-based Woodward Inc. (Nasdaq: WWD). The City Council in May approved \$2.1 million in rebates of use tax and development fees for Woodward's new headquarters, and construction was largely completed.

Woodward manufactures energy-control systems for aircraft engines, industrial engines and turbines. The company has been a longtime contributor to the Northern Colorado economy — with about 1,400 employees in Fort Collins, Loveland and Windsor, but that presence was solidified with its 2013 announcement that it would build a new \$250 million, 101-acre headquarters campus on the former site of the Link-N-Greens golf course between Lincoln Avenue and East Mulberry Street.

Woodward is owed \$3.5 million in rebates under terms of a 2013 agreement with the city, with the balance being withheld until the site reaches 1,400 employees.

Runners-up:

■ **Northern Colorado Economic Alliance:** The 15-year-old Northern Colorado Economic Development Corp. turned over its resources to the recently established, privately funded Northern Colorado Economic Alliance, which focuses on Larimer and Weld counties.

■ **Enterprise-zone expansion:** The Colorado Economic Development Commission in August added large areas in Larimer and Weld counties — as well as significant portions of Longmont, Broomfield and Lafayette — to its designated list of "Enterprise Zones" that enable businesses located there to qualify for a wide range of tax credits.



WIKICOMMONS

Greeley-based JBS USA concluded one of the region's largest deals in 2015, the \$1.45 billion acquisition of Cargill's U.S.-based pork business.

FOOD & BEVERAGE

JBS acquires Cargill's pork business

■ **Value:** \$1.45 billion
■ **Players:** JBS USA, Cargill Inc., Credit Suisse AG, Bank of America Merrill Lynch, Rabobank Nederland
One of the world's largest meat-processing companies got a lot bigger in 2015, with Greeley-based JBS USA's \$1.45 billion purchase of Cargill Inc.'s U.S.-based pork business.

The deal, announced in July, closed in October. JBS raised \$1.2 billion in long-term financing from a consortium of lenders to help finance the deal, with the balance paid with cash on hand.

JBS acquired two Midwest pork-processing plants from Wichita, Kan.-based Cargill, including facilities in Ottumwa, Iowa, and Beardstown, Ill. JBS also acquired five feed mills in Arkansas, Iowa, Missouri and Texas, and four hog farms in Arkansas, Oklahoma and Texas.

The deal makes JBS the second-largest pork processor in the country, after Smithfield Foods Inc. The company controls about 22 percent of U.S. beef production and 18 percent of U.S. poultry production, second in both sectors to Tyson Foods Inc. JBS USA is a wholly owned subsidiary of JBS S.A., based in Brazil.

Runners-up:

■ **Anheuser-Busch-Inbev/American Eagle Distributing, Loveland:** Belgium-based Anheuser-Busch-Inbev in August purchased Loveland-based American Eagle Distributing.
■ **Left Hand Brewing/Odell Brewing, Longmont and Fort Collins:** Longmont-based Left Hand Brewing and Fort Collins-based Odell Brewing in July said they were moving forward with plans for employee ownership.



COURTESY UCHEALTH

Construction has begun on UCHealth's \$190 million Longs Peak Hospital in Longmont, which is slated to open in 2017.

HEALTH CARE

UCHealth grows footprint in region

■ **Value:** \$304 million/unknown
■ **Players:** UCHealth, AdeptusHealth/First Choice Emergency Room, Poudre Valley Hospital
University of Colorado Health's footprint in the Boulder Valley and Northern Colorado ballooned drastically in 2015. The organization broke ground late in the year on a new \$190 million hospital in Longmont that will include 53 inpatient beds and bring a variety of new services the city has been lacking. That followed the groundbreaking on a \$102 million expansion at Poudre Valley Hospital in Fort Collins and the opening of a \$12.3 million standalone emergency center in that city. The company also has contributed \$5 million toward a new \$59 million on-campus medical center being built at Colorado State University. That's not to mention a major deal of undisclosed value with Texas-based Adeptus Health that includes partnering on a new 22-bed hospital in Broomfield and buying a majority stake in Adeptus Health's 15 First Choice Emergency Room centers in Colorado. Renamed UCHealth ER, a 16th is being built in Longmont. The Broomfield hospital is to open this year, while the Poudre Valley expansion and Longmont hospital are expected to open in the first half of next year.

Runners-up:

■ **Banner Health, Fort Collins:** The health system opened a new \$89 million, 22-bed hospital in Fort Collins.
■ **Centura Health/Longmont United, Longmont:** The pair inked a long-term affiliation deal through which Centura will operate and manage LUH in exchange for an undisclosed amount of capital and resources.



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COURTESY SENATE HOSPITALITY

An artist's rendering depicts the proposed PeliGrande Resort and Windsor Conference Center, adjacent to the Pelican Lakes Golf Resort in Windsor's Water Valley development.

HOSPITALITY AND TOURISM

State helps fund 4 NoCo projects

- Value: \$334 million
- Players: Water Valley Land Co., McWhinney Real Estate Services Inc., Grand Heritage Hotel Group, Spirit Hospitality LLC and FirstBank

The Colorado Economic Development Commission in December approved \$86.1 million requested by the nonprofit Go NoCO to help developers shrink a funding gap and build the PeliGrande Resort and Conference Center in Windsor, The Indoor Waterpark Resort of the Rockies and the U.S. Whitewater Adventure Park in Loveland, and the Stanley Hotel Auditorium and Film Center in Estes Park.

The four Northern Colorado projects will cost an estimated \$334 million to develop. Go NoCO applied for the Regional Tourism Act funding to try to help developers shrink a funding gap. Passed in 2009, that act allows the rebating of state sales-tax revenue that new, out-of-state visitors would generate in a pre-determined tourism zone.

Go NoCO, a nonprofit created by government entities and private businesses in Northern Colorado, applied for the funding.

Runners-up:

- **Vail Resorts, Broomfield:** Broomfield-based Vail Resorts Management Co. (NYSE MTN) continued its pattern of aggressive acquisition, acquiring Australia's Perisher Ski Resort for \$135 million.
- **CSU/Stock Show, Denver:** The Colorado Senate in April approved a \$350 million plan to put Colorado State University buildings at the National Western Stock Show site in Denver.



JOEL BLOCKER/FOR BIZWEST

Vestas announced plans to hire an additional 400 workers in Windsor, including 300 full-time and 100 part-time and seasonal workers.

JOBS

Vestas adds jobs in Windsor, Brighton

- Value: Unknown
- Players: Vestas Wind Systems A/S, Windsor and Brighton

Hundreds of new high-paying jobs have blown into Northern Colorado, thanks to expansions by Danish wind-turbine manufacturer Vestas Wind Systems A/S (CPS: VWS) in Windsor and Brighton.

Vestas in March announced plans to hire an additional 400 workers in Windsor, including 300 full-time and 100 part-time and seasonal workers. In August, the company said it would hire 350 more workers in Windsor and Brighton. The company also announced plans for another 100 jobs in Brighton in January 2016.

Vestas operates one plant in Windsor, where it produces blades; two plants in Brighton, where it produces blades and nacelles; and a plant in Pueblo, where it manufactures towers.

Vestas now employs about 3,200 workers in Colorado, with more than two-thirds of them in Windsor and Brighton. The company has been expanding for several years, bringing jobs that can pay \$16.95 per hour.

Runners-up:

- **Teletech Holdings Inc., Greeley:** Englewood-based Teletech Holdings Inc. (Nasdaq: TTEC) said in August that it wanted to fill 600 new jobs at its call center in Greeley, which would bring its employee count to 1,300.
- **SCL Health, Broomfield:** SCL Health, which operates eight hospitals in Colorado, Kansas and Montana, in July finished moving some 360 employees from the Diamond Hill office complex in downtown Denver to the Interlocken business park in Broomfield.



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PEDERSEN TOYOTA & SCION



COURTESY PINNACLE FOODS

The sale of Boulder Brands means many well-known local products now will be under the umbrella of New Jersey-based Pinnacle Foods.

NATURAL/ORGANIC FOODS

Pinnacle Foods buys Boulder Brands

■ **Value:** \$710 million
■ **Players:** Pinnacle Foods Inc., Parsippany, N.J., buyer; Boulder Brands Inc., Boulder; seller. Advisers: Perella Weinberg Partners LP, financial adviser to Pinnacle; Cravath, Swaine & Moore LLP, legal adviser to Pinnacle; William Blair & Co., financial adviser to Boulder Brands; Fried, Frank, Harris, Shriver & Jacobson LLP, legal adviser to Boulder Brands. Lenders: Bank of America Merrill Lynch
A tumultuous 2015 for Boulder Brands culminated with the November announcement that New Jersey-based Pinnacle Foods had struck a deal to buy the local company for \$710 million. That deal just closed in January, rescuing a homegrown Boulder company that had seen its stock price plummet in 2015, a change in chief executive, layoffs and a series of class-action lawsuits brought against the company that remain pending. Boulder Brands, whose brands include Udi’s Gluten Free, Smart Balance and Evol Foods, now will be rolled into Pinnacle Foods. However, Pinnacle Foods officials have said they plan to maintain Boulder Brands’ presence in Boulder, which includes most of the former company’s roughly 1,000 employees.

Runners-up:

■ **Meyer Natural Foods, Loveland:** The Loveland producer of natural-beef products bought land in Loveland where it plans to build a new corporate headquarters.
■ **WhiteWave Foods Co., Broomfield:** WhiteWave (NYSE: WWAV), parent company of several organic food brands, which has a major presence in Broomfield, paid \$550 million to acquire Vega and inked a deal to buy Wallaby Yogurt Co. Inc., for \$125 million.



CHRISTOPHER WOOD/BIZWEST

The redeveloped Foothills mall opened in November. The \$313 million project totals more than 640,000 square feet of retail in the enclosed mall and in detached spaces.

RETAIL

New life for old Fort Collins mall

■ **Value:** \$313 million
■ **Players:** Alberta Development Partners, Beck Group
Twenty-three stores and seasonal kiosks were open for business Nov. 13 when Foothills, the Fort Collins shopping center that underwent a \$313 million redevelopment project, held a holiday tree-lighting and other festivities. More openings were announced periodically as the year ended.
Workers scrambled to finish the 668,724-square-foot project on the 77-acre Midtown site by the start of the holiday shopping season after Dallas-based general contractor Beck Group lost nearly two months of excavation because of rain.
The redevelopment includes 365,321 square feet of retail space in the enclosed mall, 278,744 square feet of detached retail space and the three-level, 24,659-square-foot Foothills Activity Center which replaces the old Youth Activity Center that had been at the corner of Monroe and Stanford drives.
Loveland-based development firm McWhinney filed plans with the city of Fort Collins to build 400 apartments as part of the redevelopment, up from the 256 apartments McWhinney said it would build earlier.
Runners-up:
■ **Village at the Peaks, Longmont:** Tenants began opening their doors in November at Village at the Peaks in Longmont, the redeveloped Twin Peaks Mall, but Whole Foods announced in December that its opening would be delayed 11 months.
■ **Sheels, Johnstown:** A 250,000-square-foot Sheels sporting goods store in the 2534 development in Johnstown is expected to employ roughly 400 people when it opens in September 2017.



COURTESY SOLIDFIRE

Boulder-based SolidFire has grown rapidly with sales of its all-flash storage arrays.

TECHNOLOGY

NetApp acquires SolidFire in Boulder

■ **Value:** \$870 million
■ **Players:** NetApp Inc., Sunnyvale, Calif., buyer; SolidFire Inc., Boulder, seller. Advisers: DLA Piper, legal counsel to NetApp; Qatalyst Partners, financial adviser to SolidFire; Cooley LLP, legal counsel to SolidFire.
Pegged by many as one of Colorado’s next major candidates for an initial public offering, SolidFire instead struck a deal just before Christmas to be acquired by NetApp for \$870 million in cash. The purchase would give storage provider NetApp a strong foothold in the growing flash-storage market. SolidFire, which has about 250 employees in Boulder, previously announced that it would lease 62,000 square feet in downtown Boulder’s new Pearl West development that is under construction, a plan that remains intact. However, it remains to be seen how NetApp’s current Boulder office might be integrated with SolidFire’s operations. The acquisition is slated to close by May, the end of NetApp’s 2016 fiscal year.
Runners-up:
■ **Seagate/Dot Hill, Longmont:** Cupertino, Calif.-based data-storage firm Seagate Technology Inc. (Nasdaq: STX), which has a major presence in Longmont already, acquired Longmont-based Dot Hill Systems Corp. for \$645 million.
■ **CA Technologies/Rally Software:** New York-based software firm CA Technologies (Nasdaq: CA) acquired Boulder-based Rally Software Development Corp., for \$480 million.



COURTESY SPHERO

Boulder-based Sphero Inc., makers of the “Star Wars” BB-8 droid, raised \$45 million in its latest funding round.

VENTURE CAPITAL

Sphero strikes ‘Star Wars’ deal

■ **Value:** \$45 million
■ **Players:** Sphero Inc., Mercato Partners, The Walt Disney Co.
The Force is strong in Sphero Inc., the Boulder-based company that’s had an impact not only around the world but also in a galaxy “far, far away.” Sphero, formerly Orbotix Inc., makes the hugely popular toy version of the BB-8 droid from the movie “Star Wars: The Force Awakens.”
Sphero and The Walt Disney Co. struck a deal last year for Sphero to produce the BB-8 toy. That deal emerged from connections Sphero made while participating in Disney’s tech accelerator program in 2014.
“It’s a tremendous amount of wind in our sail when you have a product like this,” Sphero CEO Paul Berberian told BizWest last year. “The company was already doing well, and this just totally accelerates the business.”
The Star Wars deal also prompted the company to head to the capital markets again, raising \$45 million from Mercato Partners, Disney and others.
Runners-up:
■ **Broomfield-based AppExtremes Inc.,** a developer of document generation and reporting applications operating under the trade name Conga, received a \$70 million investment from Insight Venture Partners, a New York-based private-equity and venture-capital firm.
■ **Broomfield-based Datavail Corp.,** a provider of remote database administration services, raised \$47 million in funding led by New York City-based Catalyst Investors, which was joined in the round by Tahosa Capital and Lumerity Capital Partners, along with existing investors Boulder Ventures, Meritage Funds and MC Investment Fund.

Are your salespeople hunters or gatherers?

If your business model requires your salespeople to “source their own leads,” that is, to prospect, you must take an inventory of your sales team to see if you have the right salespeople in the right seats on the bus.

Many are naturally good at calling on existing clients, keeping them happy, occasionally upselling and cross-selling. We would call this type of a person a “servicer,” or account manager. Often this person does better in a long selling cycle where patience, attention to detail and process is required. However, this type of salesperson often has difficulty looking for cross-selling and upselling opportunities within developed relationships and does not see their primary responsibility as bringing in a lot of new customers. Using the hunter vs. gatherer metaphor, this person is a gatherer.

On the other hand, there are salespeople who truly love “the hunt” for new clients. When looking at the makeup of a salesperson with a real “hunter” mentality, we see some

common traits that are critical to success.

Hunters have that natural “fire in their belly.” When these people wake up each day, they rekindle a natural, innate drive to succeed. Their ambition to be the best drives their results and is ever-present. They tend to set very strong personal goals, have confidence in their abilities and bring a high level of energy to their daily performance.

Hunters create value and demand. Successful hunters understand that they are not simply fulfilling demand but are creating a demand for a particular product or service. They possess the skills to communicate the value of their products/services and deliver solutions to ease the unique “pain” of each prospect.

Hunters take control of the sales process. This is a critical trait for successful hunters because it is easy to default to the prospect’s process instead of staying true to their own. Taking control takes confidence, assertiveness, a healthy amount of influence and the ability to channel a nurturing demeanor. Quality hunters set appropriate expectations and make sure they and the prospects are on the same page every step of the way.



SALES SMARTS
BOB BOLAK

Hunters take responsibility for their results. I’ve never met a great salesperson that didn’t accept responsibility for what was his to own.

Hunters take action. Simply put, the best hunters won’t sit on their hands waiting for someone else to make a move. They do not suffer from “analysis paralysis” or concoct reasons why they aren’t going on the sales call. They set their goals, commit to the behaviors they will do and achieve them.

Hunters take responsibility for their results. I’ve never met a great salesperson that didn’t accept responsibility for what was his to own. Too often, people make excuses such as, “I was given the worst territory” or “This economy is just too tough.” But not the hunters; they attack their goal no matter the obstacles. When faced with a challenge, they figure out another way around the roadblock or obstacle, often on their own, with determina-

tion and fearlessness.

As we distinguish between hunters and gatherers, it is easy to see why some companies are disappointed with given salespeople on their team. The company leadership wants hunters, but they’ve hired people with a gatherer mentality and/or skillset. In that case, the leader is faced with the prospect of lowering or changing standards to accommodate their gatherers, train them to close the skill gaps that cause them to struggle, or help them find another role for which they’re better suited.

The truth is, self-motivated and determined salespeople who love to find new business day in and day out are not growing on trees. Finding them can be difficult. Spectacular selling organizations are always on the lookout for these people and use a structure hiring and interviewing system to be sure they have identified not only someone that can hunt and sell, but someone who will hunt and sell once hired. When you discover people with these rare traits, hire them and compensate them appropriately. It will be one of the most profitable decisions you ever make.

Bob Bolak is president of Sandler Training. Contact him at bbolak@sandler.com

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London-based pharmaceutical giant AstraZeneca bought Amgen's LakeCentre manufacturing facility in Boulder in September.

CHRISTOPHER WOOD/
BIZWEST



New dose of jobs from AstraZeneca

By Jeff Thomas

news@bizwestmedia.com

BOULDER — Good things are sometimes a long time in coming, and so it seems to be with the promised presence of AstraZeneca PLC, which at least partially could replace the loss of Amgen production in Boulder County last year.

The London-based pharmaceutical giant (NYSE: AZN) bought Amgen's LakeCentre manufacturing facility in Boulder in September, and hopes were high here that the site eventually could employ as many as 400 people. That was seen as a welcome replacement to the more than 600 jobs lost to the county biopharmaceutical workforce by the closing of two Amgen facilities last year, said Clif Harald, executive director of the city of Boulder Economic Council.

"It was a big announcement when Amgen announced they were closing down their Colorado operations," he said. "It was big for Longmont, big for Boulder and big for the state, as well."

Meanwhile AstraZeneca, which has been through a tumultuous year itself, is keeping fairly mum about any progress in opening the Boulder facility. However the company still appears committed to reopening the plant in 2017 to create drugs going into the clinical trial pipeline.

"We have a small number of staff getting the plant ready, and we will bring on more people in 2017," said spokeswoman Abigail Bozarth. "Once we have established which medicines will be manufactured at this facility, we could have anywhere from 200 (to) 400 people."

AstraZeneca bought the Boulder facility for \$14.6 million last fall, but

AstraZeneca

- **CEO:** Pascal Soriot
- **No. local employees:** Not available
- **No. global employees:** 57,500
- **Revenue:** \$26.1 billion globally in 2014
- 5550 Airport Blvd., Boulder CO 80301
- 303-402-7400
- www.astrazeneca.com

still on the market is Amgen's Longmont plant, currently marketed at \$85 million. The massive 70-acre Longmont campus includes 692,000 square feet of building space, while the Boulder facility, at 5550 Airport Blvd., sits on 20.4 acres and includes roughly 170,000 square feet of building space. Harald was not surprised that retrofitting the Boulder plant was taking time, given the new host of pharmaceutical substances to manufacture. He said economic-development experts across the state are hoping to hear news on the Longmont plant, but nothing is even rumored at this time.

Colorado's pharmaceutical and biotechnical industry probably has absorbed much of the workforce, he said. However, AstraZeneca's presence is being widely anticipated to both take up the remaining slack in these high-paying, highly technical positions and reaffirm Colorado's "robust" presence in the international biopharmaceutical market.

"It is a very robust industry in Boulder County, the metro Denver area and Colorado as a whole," Harald said. "We know that in Boulder County there are something like 67 pharmaceutical and biotechnical companies, employing about 1,300 people. That's a significant number in our county" with an estimated 175,000 jobs.

However, AstraZeneca chief execu-

tive Pascal Soriot, who came aboard in 2012, appears to have a stick-to-your-guns, or stick-to-your-science, mentality, including fighting off a \$118 acquisition offer by Pfizer last year. Soriot also appeared to have a strong commitment to the drugs in the pipeline and testing, rescuing an ovarian cancer therapy called olaparib from the bean counters' scrap bin right after taking over the company — shortly after leaving a comfortable position high in the corporate structure of a more ensconced Roche Pharmaceuticals.

That resolve was reinforced by Soriot's fight against the Pfizer takeover attempt; he claimed such a deal actually could cause deaths by delaying a lung cancer drug, Tagrisso, which ended up making it to market in near-record time.

During the last year, stock analysts have wavered over AstraZeneca's position, with many pointing to a "patent cliff" for the company, with some of its biggest-selling drugs losing market exclusivity. One of those drugs is perhaps the company's most visible pharmaceutical, Crestor, a popular cholesterol-lowering drug.

But the Pfizer takeover bid largely was based on the number of drug candidates that AstraZeneca has in its drug candidate pipeline, which apparently is growing in strength. One of those occurred on Jan. 28 when the Food and Drug Administration expedited consideration of a new AstraZeneca drug, Lynparza, as a "Breakthrough Therapy" for prostate cancer.

"More than 27,000 men died of prostate cancer last year in the U.S. alone. The Breakthrough Therapy designation for Lynparza is encouraging news for patients and their fami-

lies, as there are currently very limited treatment options for metastatic Castration Resistant Prostate Cancer," said a prepared statement by Antoine Yver, head of Oncology, Global Medicines Development at AstraZeneca. "We will work closely with the FDA to introduce Lynparza as a new treatment option as soon as possible."

Accelerated introduction of drugs into the candidate pipeline also will speed hiring at the Boulder plant, Bozarth indicated.

"The Boulder site will increase manufacturing and production capacity and will eventually double the biologics manufacturing capacity in the U.S. to meet the needs of the maturing AstraZeneca pipeline," she said. "Specifically, this facility will manufacture large quantities of drug substance. We will then ship the substance to other facilities to finalize preparation (i.e., fill vials) to get the medicines to patients."

The Boulder facility investment appears to support an investment in new drugs to replace the depleting line of protected pharmaceuticals.

"The investment supports AstraZeneca's evolving business shape with biologics making up 50 (percent) of our overall pipeline across our main therapy areas and an increasingly balanced portfolio across primary and specialty care," she said. "Currently there are more than 120 biologics programs in our pipeline, including over 30 in clinical development. The new facility in Boulder adds to the expansion of AstraZeneca's biologics manufacturing capabilities, following the planned biologics manufacturing investment in Sweden, announced in May, and the expansion in Frederick, Md., announced in November 2014."

BW

LIST

Ranked by number of employees

Life Sciences Companies

Rank	Company	Number of local employees Number of employees worldwide	Products/Services	Phone Website	Person in charge, Title Year founded
1	Covidien* 1635 Gunbarrel Ave. Boulder, CO 80301	1,800 38,500	Health-care products.	303-305-2200 www.medtronic.com	Bryan Hanson, president 1967
2	Hach Co. 5600 Lindbergh Drive Loveland, CO 80539	800 4,200	Water-analysis systems and hydro lab instruments.	970-669-3050 www.hach.com	Lance Reisman, president 1947
3	Tolmar Inc. 701 Centre Ave. Fort Collins, CO 80526	625 625	Fully integrated pharmaceutical company. Product development, clinical trial expertise and manufacturing.	970-212-4500 www.tolmar.com	Michael R Duncan, CEO 2006
4	Sandoz Inc. 2555 W. Midway Blvd. Broomfield, CO 80020	550 26,500	Generic pharmaceutical industry. Develops, produces and markets a wide range of affordable, high-quality medicines.	303-466-2400 www.us.sandoz.com	Peter Goldschmidt, president, Sandoz US and head of North America 1975
5	Medtronic Surgical Technologies** 826 Coal Creek Circle Louisville, CO 80027-9750	300 N/A	Biomedical engineering in the research, design, manufacture and sale of instruments and appliances.	720-890-3200 www.medtronic.com	Omar Ishrak, CEO 1949
6	Corden Pharma Colorado Inc. 2075 55th St. Boulder, CO 80301-2880	210 4,000	Develops and produces pharmaceutical intermediates and active ingredients.	303-442-1926 www.cordenpharma.com	Brian McCudden, CEO 1946
7	Hospira Boulder Inc.** 4876 Sterling Drive Boulder, CO 80301	183 N/A	Pharmaceuticals, consumer products, pathology, diagnostic imaging and pharmacy.	303-245-6200 www.hospira.com	Mike Ball, CEO 1995
8	Array BioPharma Inc. 3200 Walnut St. Boulder, CO 80301	150 160	Discovers, develops and commercializes targeted small molecule drugs to treat patients afflicted with cancer.	303-381-6600 www.arraybiopharma.com	Ron Squarer, CEO 1998
9	SomaLogic Inc. 2945 Wilderness Place Boulder, CO 80301	150 160	Develops clinical diagnostics and research tools based on its proprietary and novel proteomics technologies.	303-625-9000 www.somallogic.com	Byron Hewett, CEO 2000
10	GE Healthcare - Dharmacon 2650 Crescent Drive, No. 100 Lafayette, CO 80026	125 155	Life science research reagents and consumables including CRISPR Gene Editing, siRNA, shRNA, miRNA, custom RNA, cDNA, PCR/qPCR and other molecular biology applications.	303-604-9499 www.gelifesciences.com/dharmacon	Michael Deines, vice president and general manager 1995
11	In-Situ Inc. 221 E. Lincoln Ave. Fort Collins, CO 80524	120 120	Manufacturer of environmental monitoring and sampling systems used to assess the quantity and quality of groundwater and surface water.	970-498-1500 www.in-situ.com	John Pawlikowski, CEO/president 1976
12	Heska Corp. 3760 Rocky Mountain Ave. Loveland, CO 80538	110 310	Advanced veterinary diagnostic and other specialty veterinary products; diagnostic blood analyzers, point-of-care diagnostic tests, vaccines and other pharmaceuticals.	970-493-7272 www.heska.com	Kevin S. Wilson, CEO/president 1988
13	Clovis Oncology Inc. 5500 Flatiron Parkway Boulder, CO 80301	100 300	Acquires, develops and commercializes innovative anti-cancer agents.	303-625-5000 www.clovisoncology.com	Patrick J. Mahaffy, CEO/president 2009
14	Biodesix Inc. 2970 Wilderness Place, Suite 100 Boulder, CO 80301	90 125	Molecular diagnostic tests for advanced lung cancer.	303-417-0500 www.biodesix.com	David Brunel, CEO 2006
15	Advanced Thin Films LLC** 5733 Central Ave. Boulder, CO 80301	80 80	Precision optical components and ion beam sputtered coatings for applications in scientific research, defense, aerospace, telecommunications, laser and semiconductor manufacturing.	303-815-1545 www.atf-ppc.com	Robert Beeson, general manager 1992
16	Corgenix Medical Corp. 11575 Main St., Suite 400 Broomfield, CO 80020	52 200	Develops and promotes of specialized diagnostic test kits for vascular diseases and immunological disorders.	303-457-4345 www.corgenix.com	James Widergren, president 1990
17	miRagen Therapeutics, Inc. 6200 Lookout Road Boulder, CO 80301	40 40	Clinical stage biopharmaceutical company discovering and developing innovative RNA-targeting therapies.	303-531-5952 www.miragenrx.com	William S. Marshall Ph.D., president and chief executive officer; Jason A Leverone C.P.A., chief financial officer 2007
18	InDevR Inc 2100 Central Ave., Suite 106 Boulder, CO 80301	34 34	Cypher One Automated Hemagglutination Analyzer, VaxArray Influenza Potency Assay for Seasonal Influenza, Vidia Microarray Imaging System, Microarrays and Reagents.	303-402-9100 www.indevr.com	Kathy Rowlen PhD, CEO/co-founder 2003
19	Syngenta Seeds Inc.** 1020 Sugarmill Road Longmont, CO 80501	31 28,000	Global agribusiness that markets seeds and agrochemicals. Involved in biotechnology and genomic research.	303-776-1802 www.syngenta-us.com	Michael Mack, CEO 1985
20	Microbac Laboratories Inc., Boulder Division 4750 Nautilus Court South, Unit A Boulder, CO 80301	30 500	Independent laboratory for chemical, physical and microbiological testing of materials and biomass.	720-406-4800 www.microbac.com	Larry A Drake, managing director 1961
21	Nivalis Therapeutics 3122 Sterling Circle, Suite 200 Boulder, CO 80301	28 28	N30 is developing disease modifying therapies, focusing on cystic fibrosis.	720-945-7700 www.n30pharma.com	Jon Congleton, president/CEO N/A
22	FluoroFinder LLC 10835 Dover Street, #300 Westminster, CO 80021	22 22	Software tools for designing medical experiments; accelerating cancer, HIV and other research.	720-242-7083 www.fluorofinder.com	John Allen, CEO 2008
23	PureVision Technology 511 N. McKinley Ave. Fort Lupton, CO 80621	20 20	Develops technologies that rapidly produce pulp and fermentable sugars from non-food bio-materials like wheat straw, corn stover, industrial hemp, wood waste.	303-857-4530 www.purevisiontechnology.com	Ed Lehrburger, CEO/president 1992
24	Takeda Vaccines 1613 Prospect Parkway, Suite 100 Fort Collins, CO 80525	18 30,000	Develops innovative vaccines to address critical unmet needs in global public health.	970-672-4918 www.takeda.us/	Patrick Green, site head 2005
25	CereScan 991 SouthPark Drive, Suite 200 Littleton, CO 80120	16 18	Diagnostic brain imaging; qSPECT imaging; PET/CT imaging, qEEG, healthcare data.	720 838 2785 www.cerescan.com	John Kelley, chair/CEO 2008

BW REAL DEALS

Group plans Greeley hotel/meeting center

By Doug Storum
dstorum@bizwest.com

GREELEY — A group of prominent Greeley business leaders is investing in a planned hotel and conference center on city-owned property downtown.

The group includes brothers Dick and Charlie Monfort, owners of the Colorado Rockies; Scott Ehrlich, a longtime auto dealer in Greeley; Bob Tointon, longtime downtown property owner; and Greeley's Richardson family.

Ehrlich said the investment group has been negotiating to bring a Hilton brand hotel to land adjacent to Lincoln Park.

"We're looking at a 150-room hotel that will be nicer than any hotel in Greeley," Ehrlich said, adding that the conference center would be 14,000 square feet.

Ehrlich and Arlo Richardson, whose family recently sold Mineral Resources Inc., an oil-and-gas company based in Greeley, formed Lincoln Park Hotel LLC late last year, according to documents filed with the Colorado secretary of state.

Ehrlich said the LLC was formed as a place for the investment group to put money that is being used for project-planning expenses.

The Monforts have had a positive impact on Greeley through their philanthropic foundation and the family beef business they ran in Greeley before selling to ConAgra Inc.

"Charlie and I are very limited and passive investors in this," Dick Monfort said. "We see this as a partial business and partial community investment. I don't go to the meetings; I just read the reports. I let them (other investors) make decisions."

Tointon, chairman of Greeley's Downtown Development Authority, is a downtown Greeley property owner and former chief executive of Greeley-based Hensel Phelps Construction Co. BizWest first reported in June that the city was negotiating with Hensel Phelps to build the hotel.

"It's not a done deal, but equity is being raised, and the city is doing its part," Tointon said. "Let's say it's very encouraging."

Hensel Phelps has been working on design options and costs for the hotel and conference center while negotiating for the construction contract to build the project, which



EHRlich



MONFORT



RICHARDSON



TOINTON



CHRISTOPHER WOOD/BIZWEST

This city-owned municipal building in the Lincoln Park Annex at 919 Seventh St. in Greeley will be demolished to make way for a hotel and conference center that will be developed through a partnership between the city and private investors.

"We're looking at a 150-room hotel that will be nicer than any hotel in Greeley"

Scott Ehrlich

initially was estimated to cost about \$20 million.

Greeley's assistant city manager, Becky Safarik, said details still need to be worked out before a deal with Hensel Phelps can be approved and information on the project is finalized. She said the deal may be ready to go before Greeley's City Council in March.

The city wants to redevelop about 80,000 square feet of land that it owns at 919 Seventh St. The area takes up the southern half of a city block between Ninth and 10th avenues.

The city has said it would like a hotel of approximately 150,000 square feet and 150 to 200 rooms with about 5,000 square feet of con-

"It's not a done deal, but equity is being raised, and the city is doing its part."

Bob Tointon

ference space that would include 2,000 square feet of breakout meeting space.

According to a study commissioned by the city, the area was deemed no longer essential for city use. The city is working on moving city offices and other lessees from the project area, adding to the complexity of finalizing a deal.

Collin Richardson, one of Arlo's sons, in November formed RHI Lincoln Park Hotel LLC, but it is unclear how that entity is tied to the project or one of the Richardsons' other numerous real estate holdings.

Doug Storum can be reached at 303-630-1959, 970-416-7369 or dstorum@bizwestmedia.com.

PROPERTY LINE

Boulder OKs mixed-use project at 30th and Pearl

BOULDER — Rêve, a mixed-use project planned for the southeast corner of 30th and Pearl streets, has been approved by the Boulder planning board.

If approved by the city council, Tennessee-based Southern Land Co., hopes to break ground on the site at the southeast corner of 30th and Pearl streets by fall, with construction expected to take roughly two and a half years to complete.

Rêve is slated to include roughly 114,000 square feet of office space, 24,000 square feet for retail and restaurants, and 244 for-rent housing units ranging from efficiency and studio units to townhomes. The project, which would include four buildings of four and five stories each, would sit on six acres encompassing the properties at 3000 Pearl St., 2100 and 2170 30th St., and 2120 32nd St. Southern Land is under contract to purchase all of the properties.

Custom metal-working company building facility in Fort Collins

FORT COLLINS — Raw Urth Designs, a custom metalworking company based in Fort Collins that ships its products worldwide, expects to break ground on a new manufacturing/office facility this spring.

The two-story, 15,405-square-foot building will be constructed on the north side of Conifer Street between College Avenue and Red Cedar Drive.

The new building will house a showroom to display work for builders and designers, offices and an art gallery, said Amy Sasick, Raw Urth's chief executive. Her husband, Stefan Sasick, heads the fabrication of the products, based on collaboration with designers representing their clients.

Raw Urth produces artistic, handcrafted products made of copper, bronze and brass such as stove hoods, countertops, corbels, fireplace mantels and surroundings, and sculptures.

Raw Urth, founded in 2005, operates out of a building it owns at 1313 Blue Spruce Drive. The Sasicks plan to lease-out that building.

Madwire moving operations from Loveland to Fort Collins

LOVELAND — Marketing-software firm Madwire LLC will relocate employees at three sites in Loveland to the former Hewlett-Packard Co. campus in Fort Collins.

Madwire will move its 250-plus employees in Loveland to Fort Collins, where it will lease 66,553 square feet of space at 3420 E. Harmony Road, Building 5, from Hewlett-Packard. It is three times the space it has been occupying at the three locations in Loveland.

Consolidating the workforce into one building will help streamline internal operations and further enhance the culture for the company, said spokeswoman Farra Larimore. Madwire hopes to be able to move in late spring or early summer of this year.

Madwire is vacating two buildings it owns and another space it is leasing in Loveland. The two buildings it owns are at 504 W. Eisenhower Blvd. and 550 W. Eisenhower Blvd. It was leasing space at 228 E. Fourth St. above the Rialto Theater. Madwire will lease-out the space at both buildings on Eisenhower and sublease space at the Rialto Theater.

2015 housing recap: a historic sellers' market

The 2015 year-end statistics are in, and the results confirm that there is no place better to own a home than the Boulder Valley.

Overview

Colorado: At 12.66 percent, Colorado homes appreciated more in 2015 than those in any other state, according to the latest Federal Housing Finance Agency index. Likewise, Colorado has enjoyed more home appreciation than any other state since 1991 — a whopping 264 percent.



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Boulder Valley: As remarkable as the above Colorado numbers are, the Boulder Valley's numbers are even more impressive. Boulder, at 13.39 percent, had the seventh-highest appreciation of any metropolitan area in the country in the past year. Since 1991, Boulder County has enjoyed a 296.6 percent increase in home values, nearly 30 percent more growth than anywhere else in the country.

Key statistics

Here are my top three market sta-

Average price

In dollars

Market	2010	2011	2012	2013	2014	2015
Boulder	649,726	664,011	668,276	757,500	821,563	969,706
Louisville	440,177	412,121	432,181	498,291	537,125	562,933
Lafayette	357,129	372,446	384,824	413,988	433,416	489,854
Longmont	256,002	244,775	258,388	284,726	306,116	342,009
Plains	548,640	551,820	548,919	585,029	620,191	651,850
Mountains	441,338	432,829	447,810	519,598	510,129	560,868
Superior	426,358	423,886	425,316	469,631	509,950	570,581
Boulder County	442,460	438,246	451,678	495,704	523,273	575,753
Broomfield	379,418	354,650	358,513	394,681	422,382	456,531

tistics from 2015 and what they mean for buyers and sellers:

■ Average sales prices were at all-time highs for every market in Boulder and Broomfield counties. For sellers, this means that we have more than recovered from the Great Recession. Even if you bought a home just before the price peak in 2006-07, your home is likely worth more than you bought it for. For buyers, this might cause you to suspect that we are near another peak; however, you would be wrong (see my previous Bizwest articles for more on this).

■ Inventory of single-family and attached homes were at all-time

lows. For home owners, 2015 was an excellent time to sell. It is important to note, however, that even in this market not every home sells; 142 homes in Boulder County failed to sell in 2015. For buyers, there were many fewer homes to choose from and a lot more competition for each available home.

■ Average sale-price-to-list-price ratios for single-family homes in Louisville, Lafayette, Longmont and Superior were all more than 100 percent; for attached dwellings, every market in Boulder and Broomfield counties averaged more than 100 percent. That is, properties in those

areas sold on average for more than their asking price. For sellers in these markets, you likely had multiple offers to choose from when selling your home. For buyers, this meant that you should have been prepared to pay above asking and waive contingencies if you wanted to compete in the market.

Bonus Statistic #4:

There was less than one month of inventory for properties under \$2 million in Boulder County at the end of 2015. That is, if no additional homes entered the market, the existing inventory of available homes would sell out in less than a month. A balanced market is approximately six months of inventory. This simply reinforces the fact that it is a great time for owners to sell but possibly the most competitive situation a buyer could imagine.

All indications are that 2016 will offer a continuation of these trends. The advice for sellers is simple: 2016 will be a great year to sell. The advice for buyers? Buy now, if you can, before homes appreciate further and interest rates rise again.

Jay Kalinski is broker/owner of Re/Max of Boulder. He can be reached at jaykalinski@remax.net.

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BW STARTUPS



JONATHAN CASTNER/FOR BIZWEST

Kelly Long, left, and John Spiers cofounded Louisville-based NexGen Storage, which was recently acquired for the second time in three years.

Familiar territory

Acquired 2nd time in 3 years, NexGen Storage aiming for growth

Joshua Lindenstein

jlinden@bizwestmedia.com

LOUISVILLE — Just a year removed from spinning off the Louisville tech company they'd started from Silicon Valley-based SanDisk, NexGen Storage co-founders John Spiers and Kelly Long weren't seeking another buyer.

But a common connection between NexGen and Austin, Texas-based Pivot3 helped the two companies' leaders quickly see what a match they could be.

And so NexGen has been acquired again, though Spiers and Long still plan to stick around for the ride.

Pivot3 announced recently that the company acquired NexGen in an all-stock transaction. Both sides, however, characterized the deal as more of a merger that brings two companies with similar offerings together in a way that will allow them to accelerate growth.

"It's very synergistic and complementary," Spiers said.

NexGen makes hybrid flash-storage arrays capable of supporting multiple types of storage media. Ron Nash, CEO

"It was very easy to relate to the NexGen people. But they did a lot of innovative things that we did not have."

Ron Nash, CEO, Pivot3

of software-defined storage provider Pivot3, said the two companies have technology based on similar architecture, making the merger of the two a natural fit.

"It was very easy to relate to the NexGen people," said Nash, who said the combined company is projected to bring in roughly \$50 million in revenue this year. "But they did a lot of innovative things that we did not have."

Spiers and Long — who helped start LeftHand Networks before selling it to Hewlett-Packard in 2008 for \$360 million — co-founded NexGen in 2010. After raising a \$10 million round of venture capital, the company was sold to Fusion-io in 2013 for \$119 million. When SanDisk acquired Fusion-io 18 months later, NexGen's offerings were seen as somewhat of a competing product to SanDisk's own, and Spiers and Long were given the opportunity to spin the company off and take their technology with them, which they did in January of last year.

Spiers said NexGen had been rais-

ing a venture-capital round last year and had received a term sheet from Brian Smith at S3 Ventures in Austin. As Smith, an investor in Pivot3, learned more about NexGen, he suggested that it might make sense for Pivot3 and NexGen to work together, given their synergies and similar paths, and the seeds of the merger were sown.

The combined company will operate under the Pivot3 name, though Nash said the NexGen products will keep the names they have. All employees are expected to stay onboard with the company in their current locations. In addition to Austin and Louisville, Pivot3 has an office in Houston, as well as sales and marketing outposts around the world.

NexGen employs 86 people, a little more than half of whom are at the company's office at 361 Centennial Parkway in Louisville. Pivot3 employs 130. Nash said the merger of the companies fills the hiring needs of each for now, but said the plan is to gradually add going forward as growth demands.

Spiers said NexGen had been growing quickly, with plans of hiring about 20 sales people to begin establishing markets overseas when the merger with Pivot3 came together.

"With Pivot3, we have that (international presence) right out of the chute," Spiers said.

STARTINGLINE

Finalists named for UNC Entrepreneurial Challenge

GREELEY — Five finalists have been selected to compete for a piece of \$50,000 in prize money at the University of Northern Colorado Monfort College of Business' seventh annual Entrepreneurial Challenge. They'll present their business plans to a panel of judges in a "Shark Tank" format on March 29 at the KUSA-TV Channel 9 studios in Denver.

The competition was open to Colorado-based startup ventures or businesses that have begun business development, market research and product development.

The five finalists include Fort Collins-based Aerosol Devices and The Food Corridor, Broomfield-based mcSquares, Masonville-based Planting Profits and Denver-based NerdNest.

Judges for the challenge's final round of the Entrepreneurial Challenge include Kevin Ahern, founder, chairman and chief executive of CIC Bancshares Inc.; Kelly J. Brough, president and CEO of the Denver Metro Chamber of Commerce; and George Lobisser, partner at MALIKY Capital LLC and former president and CEO of Pace International LLC.

Program to offer students basics of entrepreneurship

FORT COLLINS — The 3 Day Start-up, a program geared toward college students interested in entrepreneurship that is run on campuses across the nation, will be held Feb. 19-21 at Colorado State University Feb. 19-21.

Founded by a group of students at the University of Texas in 2008, the program aims to provide students the basics in developing a business. Focused originally on tech startups, the programming is offered now to those interested in starting a wide variety of businesses, from social innovation to energy to culinary to hardware.

MergeLane unveils 2016 class of women-led startups

BOULDER — MergeLane, the Boulder-based startup accelerator geared toward women-led companies, has unveiled its second class of 10 startups that will go through the 12-week program. MergeLane's second cohort culminates with an April 21 demo day in front of investors and community members at Boulder Theater.

The 10 startups in this year's class include Boulder-based Cloudforest, Hatch Marketing Plans and Globig; San Francisco-based Healthiest, LittleLane and Startwise; Ann Arbor, Mich.-based Alchemie; Greenville, S.C.-based Atlas Vault, Chicago-based Ballot Ready; and Memphis, Tenn.-based Cabsolutely.

Brainstorming is dead; try rolestorming

The marketing team stared at each other, the engineers clammed up and the chip designers simply looked stupid, even though they weren't. Another Silicon Valley brainstorming session had failed. This idea-generating tool might have been hot with Alex Osborn back in the 1950s but it wasn't looking good approaching the 2000s.

Rolestorming to the rescue! Give them a role and ask them to brainstorm from that role. Back with the marketing team, I got answers. The engineers actually looked up and showed brilliance. And those designers? I knew they were geniuses; all I needed was to ask them to be someone else.

Back then, no one cared about my graduate degree or thesis topic; they demanded answers. As productivity manager for National Semiconductor Corp., the job was to increase yield, reduce defects and create reliable integrated circuits. We needed solutions so engineers could bring our chips to life. We'd see the NSC logo as manufacturers used them in toasters, scanners, watches, cars and space shuttles.

It ticked me off that smart people who cashed the company's paychecks froze when asked for creative solutions. After work they'd gather at Lawrence Station, a local bar we named "Building I" to mock each other for crazy things said during the latest brainstorming session. I noticed that bright, well-paid people were afraid of two things: ridicule and loss of standing. The way brainstorming had evolved opened the door to both. I was guilty of milking Osborn's brilliant tool past its illustrious lifespan.

At NSC and Intel, we tried quality approaches such as Nominal Group Technique, Fishbone (Ishikawa) diagrams, Quality Circles and the Delphi Method. Like most facilitators, I relied on role playing. They hated the lime-light but loved the result. Tired of coloring inside the lines, I added role playing to brainstorming with these rules:

- Decide if the issue is an opportunity, a prevention or a problem (profile-statement).
- Get into the assigned or chosen role (saint, sinner, winner).
- From that role, offer ideas or solutions for the issue (three to four rounds).
- Hold critique until after ideas are

generated (voting and implementation).

Results were shocking. Fear and ridicule evaporated. Roles of Emperor Napoleon or Madonna produced savvy solutions to product marketing roadblocks. I could hardly scribble fast enough hearing what Muhammad Ali or Eleanor Roosevelt might suggest about employee turnover or what Abraham Lincoln or Elvis Presley might offer on succession planning. Rolestorming on employee engagement produced double the ideas of similar brainstorming sessions.

Today, useful roles would be Elon Musk, Lady Gaga, Alex Bezos, Amy Winehouse and various politicians, heroes and even criminals. A huge revelation was that these ideas were already in each person's head, the "role" dug into their brains and scooped out pearls. People said things they never knew existed inside them.

How rolestorming boosts innovation:

- Event boundary: When you leave a room and promptly forget why, it's

called an event boundary. A role helps the brain reset for a new task.

- Professional relevance: A worthwhile feeling you get when valued and compensated for something you do with ease.

Rolestorming

puts you in that space.

- Confirmation bias: Here's where we pay attention to what we already believe while ignoring what we don't. We get around this by assigning saint, sinner and winner roles.
- Saint, sinner, winner roles: Widely different roles stretch attendees' thinking and dig up data from deep inside their brains. Examples are Mother Teresa, Charles Manson and Steve Jobs.
- Humbling down: When fresh faces and Father Time knock at our cubicle, we notice slippage in skills, boldness and connectedness. No need to add to it with fear and ridicule.

Imaginary plagiarism: Similar to unconscious plagiarism, where we hear an idea and later think it's our own, imaginary plagiarism is a deliberate exercise to build on ideas from others.

Rick Griggs is the inventor of the rolestorming creativity tool and founder of the Quid Novi Innovation conference. Contact him at rick@griggsachieve.com or 970.690.7327.



INNOVATION
RICK GRIGGS

Widely different roles stretch attendees' thinking and dig up data from deep inside their brains. Examples are Mother Teresa, Charles Manson and Steve Jobs.



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Announcing the 5 Finalists!

Aerosol Devices (Fort Collins)

The Food Corridor (Fort Collins)

mcSquares (Broomfield)

NerdNest (Denver)

Planting Profits™ (Masonville)

Competing for \$50,000 in prizes

Thank you to our judges:

Kevin Ahern

Founder, Chairman, and CEO of CIC Bancshares, Inc.

Kelly J. Brough

President and CEO of the Denver Metro Chamber of Commerce

George Lobisser

Partner at MALIKY Capital LLC and former President & CEO for Pace International, LLC

Watch the final event on KTVD Channel 20
Sunday, April 24, 2016 at 7 p.m.
Hosted by Gregg Moss at 9News

mcb-echallenge.com



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Should users migrate to Windows 10? Maybe.

Migration isn't just for birds any more. The information-technology industry defines "migration" as the process of moving from the use of one operating environment to another that is a perceived improvement. Microsoft released its latest and greatest operating system, Windows 10, last summer. This was a long-awaited relief for the aging Windows 7 and less-than-popular Win 8. So, just as XP was eliminated in 2014, the clock is also ticking for Win 7 as Microsoft will end its support for the old OS in 2020.



TECH TRENDS
HANS BROMAN

Although the Win 7 end-of-life is four years away, it is never too early for business owners to begin planning their organizations' next step in migrating away from these older operating systems. The following analyzes certain aspects to consider when migrating your company to a new OS such as Windows 10.

Benefits of migrating

Windows 10 is considered to be the most secure version, ever. Microsoft included a ton of beefed-up security features that cover your PC when booting up, logging onto your user

profile and while running applications. A recent survey from security firm AVG also found that the Win 10 OS out-performed its predecessors in terms of boot/browser startup time, Microsoft Suite performance (Word, Excel, etc.) and battery life. Windows 10 is the clear winner based on overall security and performance.

The new OS also promises ongoing updates, which could mean the end of major migrations in the future — seriously! The migration to Win 10 will be much simpler than it was when upgrading from XP to Win 7 because most of the back-end infrastructure is already in place.

What does this mean for your business? Upgrading to the new OS will be quicker and more efficient, and you'll run into fewer blockages and incompatibility issues with existing software and programs.

Bring-Your-Own-Device (BYOD) policies have become more popular in the workplace in order for organizations to reduce equipment costs and stay up to date with their technology. Win 10 hopes to streamline operations across all devices (mobile, tablet, etc.), which will enable organizations to take full advantage of cloud computing and BYOD procedures. A survey last year by Gartner Inc. found that BYOD policies will be implemented by 38 percent of businesses in 2016 and at least 50 percent by 2017, sug-

gesting an extremely quick adoption of Windows 10 by most enterprise-level organizations.

Concerns with switching

Despite all of the positives that come with migrating, there are always issues that arise for business owners during a mass upgrade of this scale.

A Spiceworks report from June 2015 discovered the top Windows 10 Adaptation Concerns:

- **79 percent:** Compatibility issues (hardware/software)
- **65 percent:** Bugs in early release
- **59 percent:** User training
- **51 percent:** Lack of support from third-party vendors
- **43 percent:** Time required for migration process

IT managers also are concerned that the free, ongoing Win 10 upgrades combined with the rising implementation of BYOD policies mean that corporations could lag behind their workforce when it comes to adoption of Win 10 on all devices. Working between different operating systems causes a very real threat for privacy, data security and incompatibility issues with employee devices on business networks.

Recommendations for your business

Don't rush into an OS upgrade until you know that it's right for your business. Windows 10 will con-

tinue to evolve as Microsoft releases updates and improvements as we progress through 2016. For this reason, it is generally recommended that businesses wait 12 to 18 months before completely migrating over to a new OS. This will give you time to plan out the execution of the upgrade, and also gives applications a buffer period to work out any incompatibility issues that may exist with the newly released Win 10. The largest organizations often will wait the longest to migrate, as there is much more involved with the planning phase.

It's always a good idea to audit the apps that your business uses before an OS upgrade. Get rid of the ones that aren't frequently being used; this will speed up the migration process and enable your business to reduce or eliminate licensing fees.

Finally, consider refreshing your employee IT policy to include Bring-Your-Own-Device. This will ensure that your devices take full advantage of the cloud-computing features of Windows 10. Studies have shown that BYOD increases employee productivity and satisfaction in the workplace.

Hans Broman, a sales and marketing strategist at iPoint in Fort Collins, can be reached at hbroman@ipoint-tech.com.



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EMPLOYEE BENEFITS

Revisions to the ACA – What you should know

As of March 2010, how employers offer employee benefits has dramatically changed. Every week since then, there have been revisions to the Affordable Care Act (ACA). Some recent changes include, delays on both the Cadillac Tax and ACA reporting deadlines, as well as adjusted penalty thresholds under “pay or play.”

Prior to the delay, the Cadillac Tax was set to be implemented in 2018. Which is a 40% tax governed by the IRS and would generally be imposed on health plans that cost more than \$10,200 (self-only coverage) and \$27,500 (family coverage). As a result of the delay, this tax will not be in effect until 2020.

There has also been new IRS guidance to the “play or pay” provisions of the law. The new guidance confirms that for the 2016 calendar year, the dollar amount used to calculate the penalty for employers who are not offering coverage will increase.



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ACCOUNTING

Much More than Taxes...

As a Certified Public Accountant (CPA) with 25+ years of experience, I have worked with businesses of all sizes. Initially most small businesses look at CPAs as tax preparers who will minimize taxes and ensure compliance. If that is your only objective you are simply focusing on historical data and making your business look as bad as possible to reduce taxes.

Your CPA should provide much more value. We are able to assist in proper presentation of your financial statements, evaluate the health of your business, predict potential cash flow challenges, evaluate contracts, plan for business succession, provide estate planning, determine and aid in maximizing your business' value, and much more. All of this while being tax efficient, not just tax compliant.

So as you meet to discuss taxes this year, don't just comply for 2015. Expand the discussion to be proactive and thrive in 2016 and beyond. Please let me know if I can assist you in any way.



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Bank profits improve, but benchmark elusive

Verus has region’s highest ROA

By Christopher Wood
cwood@bizwestmedia.com

It was hard to tell what was causing Verus Bank of Commerce chief execu-

tive Gerard Nalezny to lose his breath: the stunning powder he was experiencing during a recent ski trip in the mountains — from which he took a break for a telephone interview — or his bank’s latest financial numbers.

Fort Collins-based Verus indeed posted some breathtaking numbers at year-end 2015: a record \$5.75 million

net profit, a 2.1 percent return on assets (ROA) and a 17.69 percent return on equity. The latter two, the bank notes in a statement, are “both in line with the top-performing banks in the country.”

Although he expresses pride in each of those numbers, Nalezny settles on the one statistic that he believes places the bank in a league with no other: its

fourth annual dividend to shareholders, issued Jan. 13, amounting to 80 cents per share, or a 13 percent annualized return on shareholder equity.

“It’s hard to track, but as best as I can tell, it’s the highest” nationwide, Nalezny said. “I don’t think you’d find too many banks that are even paying dividends, let alone any that are paying

Bank earnings improve, but benchmark ROA elusive

Ranked by Return on Assets (ROA) as of Dec. 31, 2015.

Bank	Headquarters	Avg. total assets, Dec. 31, 2015 (000s)	Net income, 2015 (000s)	ROA, 2015	Ave. total assets, Dec. 31, 2014 (000s)	Net income, 2014	ROA, 2014	Net income, 2015
Verus Bank of Commerce	Fort Collins	\$274,117	\$5,746	2.1	\$267,792	\$5,703	2.13	UP
Points West Community Bank	Julesburg	\$219,649	\$4,885	1.59	\$213,032	\$4,975	1.66	DOWN
North Valley Bank	Thornton	\$149,822	\$3,476	1.54	\$140,776	\$2,647	1.25	UP
AMG National Trust Bank	Boulder	\$292,600	\$4,405	1.51	\$275,011	\$4,802	1.75	DOWN
Farmers Bank	Ault	\$220,815	\$5,031	1.46	\$223,383	\$1,852	0.83	UP
U.S. Bank	Cincinnati	\$403,289,089	\$5,632,812	1.4	\$375,225,726	\$5,534,970	1.48	UP
Wells Fargo Bank	Sioux Falls, S.D.	\$1,555,160,666	\$15,511,000	N/A	\$1,431,489,250	\$19,569,000	1.37	N/A
FirstBank	Lakewood	\$14,938,325	\$192,455	1.29	\$13,793,175	\$189,104	1.37	UP
Adams Bank & Trust	Ogallala, Neb.	\$652,072	\$8,090	1.24	\$618,424	\$7,333	1.19	UP
Great Western Bank	Watertown, S.D.	\$9,722,985	\$116,579	1.2	\$9,341,990	\$106,623	1.14	UP
Flatirons Bank	Boulder	\$131,281	\$2,065	1.19	\$123,361	\$2,608	1.57	DOWN
Bank of America	Charlotte, N.C.	\$1,593,909	\$14,126,000	N/A	\$1,476,901,000	\$17,075,000	1.16	N/A
First National Bank of Omaha	Omaha, Neb.	\$17,408,933	\$191,834	1.1	\$16,460,986	\$189,140	1.15	DOWN
Bank of Colorado	Fort Collins	\$2,936,162	\$47,728	1.09	\$2,568,751	\$41,335	1.08	UP
Home State Bank	Loveland	\$848,904	\$11,639	1.06	\$781,930	\$9,030	0.93	UP
Guaranty Bank and Trust Co.	Denver	\$2,223,786	\$23,673	1.06	\$1,997,245	\$14,868	0.74	UP
Keybank	Cleveland	\$91,288,066	\$717,780	N/A	\$88,103,391	\$650,159	0.98	N/A
FMS Bank	Fort Morgan	\$158,712	\$2,410	1.01	\$152,031	\$1,002	0.44	UP
Northstar Bank of Colorado	Denver	\$607,043	\$6,056	1	\$624,910	\$5,287	0.85	UP
TCF National Bank	Sioux Falls, S.D.	\$19,916,580	\$196,959	0.99	\$18,959,879	\$175,097	0.92	UP
CoBiz Bank	Denver	\$3,103,279	\$29,985	0.97	\$2,880,543	\$32,264	1.12	DOWN
BOKF N.A., dba Colorado State Bank and Trust	Tulsa, Okla.	\$30,251,376	\$284,045	0.94	\$27,733,775	\$289,435	1.04	DOWN
Advantage Bank	Loveland	\$265,400	\$2,462	0.93	\$261,949	\$1,628	1.33	UP
High Plains Bank	Flagler	\$133,590	\$1,785	0.89	\$122,472	\$1,918	1.05	DOWN
Academy Bank	Colorado Springs	\$753,442	\$6,740	0.89	\$311,990	\$5,062	1.62	UP
Bank of the West	San Francisco	\$72,102,835	\$627,750	0.87	\$68,344,752	\$544,222	0.8	UP
JPMorgan Chase Bank	Columbus, Ohio	\$1,999,116,666	\$12,681,000	N/A	\$1,935,441,000	\$14,758,000	0.76	N/A
Equitable Savings and Loan Association	Sterling	\$176,345	\$1,382	0.78	\$171,761	\$1,123	0.65	UP
ANB Bank	Denver	\$2,439,888	\$26,696	0.74	\$2,171,835	\$18,713	0.57	UP
Valley Bank & Trust	Brighton	\$296,664	\$2,281	0.7	\$277,382	\$2,379	0.81	DOWN
First-Citizens Bank	Raleigh, N.C.	\$30,911,591	\$213,145	0.69	\$21,698,209	\$104,777	0.48	UP
Citywide Banks	Aurora	\$1,283,876	\$8,718	0.68	\$1,222,559	\$18,947	1.55	DOWN
Sunflower Bank	Salina, Kan.	\$1,680,671	\$15,277	0.67	\$1,701,101	\$17,585	0.74	DOWN
First FarmBank	Greeley	\$138,355	\$918	0.66	\$123,920	\$697	0.56	UP
Amfirst Bank N.A.	McCook, Neb.	\$263,536	\$2,140	0.61	\$247,572	\$2,244	0.68	DOWN
BBVA Compass Bank	Kansas City, Mo.	\$83,237,715	\$478,174	0.57	\$76,063,966	\$438,303	0.58	DOWN
Valley Bank and Trust Co., dba Western States Bank	Scottsbluff, Neb.	\$347,558	\$1,953	0.56	\$337,457	\$1,389	0.41	UP
First Western Trust Bank	Denver	\$704,108	\$3,827	0.54	\$638,528	\$750	0.12	UP
Wray State Bank, dba Windsor State Bank	Wray	\$118,633	\$635	0.54	\$106,997	\$557	0.52	UP
Vectra Bank Colorado N.A.	Denver	\$3,150,512	\$12,471	N/A	\$2,703,687	\$21,364	0.79	N/A
Cache Bank & Trust	Greeley	\$148,867	\$712	0.48	\$161,896	\$369	0.23	UP
Bank of Estes Park	Estes Park	\$119,979	\$663	0.38	\$115,104	\$548	0.33	UP
Colorado East Bank & Trust	Lamar	\$753,109	\$2,463	0.33	\$750,820	\$1,341	0.18	UP
First National Bank of Santa Fe, dba First National Denver	Albuquerque, N.M.	\$1,695,329	\$4,866	0.29	\$1,681,126	\$(6,630)	-0.39	UP
Centennial Bank	Centennial	\$731,352	\$2,112	0.29	\$521,343	\$32	0.01	UP
NBH Bank N.A., dba Community Banks of Colorado	Kansas City, Mo.	\$4,813,691	\$11,869	0.25	\$4,857,412	\$11,712	0.24	UP
Summit Bank & Trust	Broomfield	\$145,281	\$280	0.19	\$126,036	\$(1,071)	-0.85	UP
Rawlins National Bank	Rawlins, Wyo.	\$169,511	\$185	0.09	\$155,908	\$114	0.07	UP
Total (banks based in the Boulder Valley and Northern Colorado)		\$425,613,133	\$83,930		\$5,306,515	\$69,880		
Total (excludes banks that have not yet filed Dec. 31, 2015, data with the FDIC.	\$307,349,412	\$2,554,094		\$279,329,089	\$2,249,814			

Note: ROA numbers have been adjusted for IRS subchapter S institutions to account for taxes, etc.
Source: Federal Deposit Insurance Corp.

anywhere near ours.”

Dividends, after all, are driven by profits, but most banks operating in the Boulder Valley and Northern Colorado continue to struggle to achieve the industry benchmark of 1 percent ROA, calculated by dividing net income by average total assets.

A BizWest analysis of banking-industry data from the Federal Deposit Insurance Corp. found that only 19 of the 48 national, regional and local banks operating in Boulder, Broomfield, Larimer and Weld counties had achieved the industry benchmark of 1 percent ROA, with four others hovering within a few percentage points.

ROA is computed by dividing net income by total average assets. In Verus' case, its \$5.75 million net profit, divided by its \$274 million in assets, comes out to 2.1 percent ROA.

Of the dozen banks based in the four counties and Brighton, only five achieved ROA of at least 1 percent as of Dec. 31, with Verus at the top. Others included Boulder-based AMG National Trust Bank at 1.51, Ault-based Farmers Bank at 1.46, Boulder-based Flatirons Bank at 1.19, Fort Collins-based Bank of Colorado at 1.09, and Loveland-based Home State Bank at 1.06.

Dec. 31 data for several of the large, national banks active in the region is not yet available through the FDIC, but U.S. Bank recorded an ROA of 1.4.

Although few banks have hit the benchmark yet, improvements are widespread. Nine banks based in the region recorded higher net income than

a year ago, with only three — AMG, Flatirons Bank and Brighton-based Valley Bank & Trust Co. — seeing profits dip from the year prior, with AMG and Flatirons continuing to post strong ROA.

Overall, only 12 of 48 banking institutions active in the region recorded lower profits in the just-completed year. (Data for Wells Fargo, JPMorgan Chase, Bank of America, Vectra Bank and Keybank for Dec. 31 are not yet available.)

State Banking Commissioner Chris Myklebust said lower profits could be the new normal for banks that are struggling with higher costs because of a more-stringent federal regulatory environment, as well as higher health-insurance premiums for employees.

“What I hear from banks is that the cost of compliance continues to go up, which raises their operating costs,” Myklebust said. “Health-insurance costs have also gone up.”

Banks in the Boulder Valley and Northern Colorado also bear higher costs for some office locations, and competition for workers, which also can drive up costs.

Still, Myklebust said that most state-chartered banks are profitable.

“We’re in what I would consider pretty good times, pretty steady times,” he said, noting the region’s strong housing market and increasing population.

But he cautions that banks recording lower-than-desired profits, reflected in ROA below the industry benchmark, could find themselves in trouble if the economy sours.

“Metrics haven’t changed,” he said.

“If the earnings and the profitability look like this during good times ... these costs are not going to go away when things get more difficult in the economy.”

Nationally, banking analysts have expressed concern about the impact on the banking sector if energy prices remain low. Oil priced at \$30 a barrel has put significant strain on energy companies, and some banks are heavily leveraged in that sector.

Additionally, prices for agricultural commodities are low, potentially putting strain on farmers, agribusinesses and the banks that loaned to them.

But in Colorado, Myklebust said, banks have diversified so that risk is mitigated.

“We’ve been in a lower and declining cycle with commodities, both in energy and in ag,” he said. “Banks have been really well diversified in their portfolio. By no stretch of the imagination are we going to have the issues that we had in the ‘80s.”

“I think that the diversification is going to help the banks in the long run.”

Pat O’Brien, Boulder market president for Guaranty Bank and Trust Co., agreed that the cost of compliance, health insurance, labor and real estate are factors in restraining bank profits. But he said banks also must have the right, talented team in place to develop and market a bank’s products and services, thereby driving revenue and profits.

Additionally, banks must have the right menu of product offerings to create

those revenue streams.

“It’s a tool that can differentiate the banks from peak performers to more moderate performers,” he said.

Larry Martin, chairman of Golden-based Bank Strategies LLC, a bank-consulting firm, said competition also is a factor that restrains bank profits.

“It’s probably a buyer’s market,” in terms of competition for business loans, he said, with some bankers offering longer terms at lower fixed interest rates.

Additionally, such low interest rates have compressed bank margins.

Martin agreed that the cost of compliance is a major factor in lower bank earnings. Dodd-Frank, the Bank Secrecy Act and the Patriot Act all place enormous reporting requirements on banks, enough that a job formerly held by one person must now be performed by two or three.

In the end, banks in the Boulder Valley, Northern Colorado and beyond will continue to face challenges in achieving the desired profitability benchmark.

“The industry norm of 1 percent ... I think that was prior to 2008, when we had that significant downturn in the economy,” Martin said, noting that the industry has come a long way from those desperate times.

“Banks have been coming back,” he said. “The fact that we have banks that are profitable at all is good.”

Christopher Wood can be reached at 303-630-1942, 970-232-3133 or cwood@bizwestmedia.com.



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More banks showing interest in area

By Paula Aven Gladych
news@bizwestmedia.com

The banking industry in Boulder and across the Front Range has improved greatly from the bleak years of the financial crisis, as evidenced by the number of new institutions that want to make the area their home.

Bank of America Corp. (NYSE: BAC), which is the second-largest bank in the country with \$2.15 trillion in assets, is set to open its first retail branch in Boulder in March, at 1965 28th St. The new location will compete head-to-head with the two largest banks serving the Boulder area: JPMorgan Chase & Co. and Wells Fargo, and several large regional banks, including Salina, Kan.-based Sunflower Bank, which opened in Boulder in October.

The 2,700-square-foot location will offer a full complement of traditional banking services, including tellers, small-business bankers and mortgage officers. It also will offer Merrill Edge Financial Solutions Advisors.

"In general, the industry is doing better," said Jim Swanson, president of Bank Strategies LLC in Golden. "The number of problem institutions and problem assets out there has gone away and the health of institutions in the state and country in general has

"For us it boils down to people. To move into those markets, we have to make sure we are able to attract the right banker talent."

Mike Hindman, Sunflower Bank

certainly improved over several years ago."

The Colorado Front Range is a choice market for banks just entering the retail market.

"It has an expanding population base with a strong overall economy, and that is attractive to institutions that are not currently in the market and might be limited in the markets they are in," Swanson said.

Colorado has seen some new entrants into the market recently, including Heartland Bank & Trust Co., which acquired Centennial Bank, and Glacier Bancorp, Inc., which acquired Cañon National Bank, a community bank based in Cañon City.

Swanson said that any bank entering the Front Range market will have a tough time building market share. "They face pretty entrenched competitors with a strong retail presence."

Based on June 2015 data, three banks control 60 percent of deposits in Boulder County, JPMorgan Chase, FirstBank and Wells Fargo.

"They are strong competitors. It won't be easy for them," he said.

That said, one of the attractions of a growing market is that "they don't need to steal market share in order to grow because the pie is getting bigger," Swanson said.

Bank of America is also large so it has the "ability to come in and be pretty aggressive with pricing and promotions to ramp up what they are trying to do and build that market share," he added. "That can help accelerate their growth and their market-share growth where smaller competitors may not be able to do that."

Bank of America's acquisition of Merrill Lynch in 2009 also will help it in the market since Merrill Lynch has existing relationships with businesses in the area that BofA can try to leverage through the retail outlets it is building.

Sunflower Bank is another new entrant to the Boulder and Longmont area. Based in Kansas, the 125-year-old regional bank began scouting Colorado locations in the past couple of years because "it is a well-diversified economic state and that's always attractive from a banking perspec-

tive," said Sunflower's Northern Colorado regional president Mike Hindman. "You are able to diversify your risk and not get caught up in cyclical-ity at times."

Boulder is extremely expensive, with very high real estate costs that precludes most banks from having retail locations on every corner, but "you still have to have a presence with decent facilities to compete," he said. "People still like one-on-one customer service, so it is a judgment call."

Sunflower hopes to add additional facilities along the Front Range but Hindman said that it has to grow into that. It already has more than eight locations in Southern Colorado, the Denver metro area and Longmont.

Hindman said Sunflower is not averse to opening other locations in the state.

"There's markets that are very solid: Broomfield, Fort Collins and Colorado Springs. For us it boils down to people. To move into those markets, we have to make sure we are able to attract the right banker talent. That will determine, in the long run, how fast, and where we go," Hindman said.

Sunflower Bank offers commercial banking, mortgages and wealth-management services.

"I think it is a fairly stable economy," he said.

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Funds' survivorship bias worse than you think

Survivorship bias is a problem with the way mutual-fund returns are reported. Funds that are liquidated or merged into other funds are eliminated from the averages. Only the surviving funds are included when the aggregate returns are reported by the mutual-fund reporting services or the newspapers. Understanding survivorship bias is important because it overstates the returns of the surviving funds by 1 percent or more per year as stated by Mark Carhart and others in their paper titled “Mutual Fund Survivorship.”



PERSONAL FINANCE
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Let's look at a specific example. Say 10 funds are started by a fund company. After three years, the average annual returns of the 10 funds are shown in **Chart A**. Let's say the market return during this time was 7 percent annually. Funds A through C underperformed the market return of 7 percent by a wide margin. Funds D through F performed slightly worse than the market return of 7 percent. Funds G through J performed the same or better than the market. The average return of

Chart A

Fund	A	B	C	D	E	F	G	H	I	J	Ten Funds
Avg. Return	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	5.5%

Chart B

Fund	D	E	F	G	H	I	J	Seven Funds
Avg. Return	4%	5%	6%	7%	8%	9%	10%	7.0%

Chart C

Fund/Year	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Y12
Avg. Return	-1%	2%	1%	1%	7%	9%	15%	12%	21%	-10%	-5%	-5%

Chart D

Fund/Year	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Avg. Return	10%	15%	20%	9%	8%	1%	-20%	-30%	-40%

the 10 funds is 5.5 percent, while the market returned 7 percent. Now let's say the fund company that created all these funds was unhappy with the performance of funds A through C. They decide to merge funds A through C into funds H through J, respectively. Specifically, fund A is merged into H, fund B is merged into fund I and fund C is merged into J. After funds A through C are merged (eliminated), the records of the surviving funds are as shown in **Chart B**. Miraculously, the average return of the surviving funds is 7 percent,

exactly the same as the market. The survivorship bias has raised the average return of the surviving funds by 1.5 percent. Therefore, this makes the record of the surviving funds look much better than they actually are. While this practice seems like it should not be allowed, these types of things happen routinely with mutual funds. According to the Mutual Fund Landscape paper published by Dimensional, only 56 percent of the equity funds that started 10 years ago (ending December 2014) were still

around after 10 years. Only 18 percent of the surviving funds outperformed their respective benchmarks. In other words, about 4.6 percent of funds disappear each year.

Hedge fund data even worse

According to the article “Buzz-kill Profs: Hedge Funds Do Half as Well as You Think,” the hedge fund industry is plagued by even worse reporting guidelines. Hedge funds or alternative funds as they are sometimes called, voluntarily report their returns to the hedge-funds' databases. In addition to survivorship biases, hedge funds are subject to backfill bias, a.k.a. instant history bias, and extinction bias because hedge funds tend to only report returns when they are good. Simply put, hedge funds that aren't performing well don't report their returns to the database. The article explains that when adjusting for all of these biases, for the period from 1996 to 2014, the mean annualized return of hedge funds dropped from 12.6 percent to 6.3 percent.

Let's look at the example shown in **Chart C**. Supposing a hedge fund had the above returns, it could decide to only report the returns from years 5 through 9 to the hedge-fund database. If you only look at those years, the returns average 12.6 percent. Yet, if you include all the years, the average annual return was 3.5 percent. It's easy to see in this example how the returns in the database can be manipulated through voluntary reporting bias.

Another example can be seen in **Chart D**. In this scenario, midway through year 6, the hedge fund could decide to report all its previous history in Years 1 through 5. This returns look great at this point, with an average annual return of 12.3 percent annually. Then when things go south, in years 7 through 9, they decide not to report at all. The returns look reasonable in years 1 through 6 with a 10.3 percent average. Yet, if you look at the full record, the returns averaged -5.4 percent annually. When hedge funds start falling apart they stop reporting well before they blow up. This simple example makes it easy to see how the returns can be manipulated through extinction bias.

Why is all this important? Most individual investors are not aware of the problems with the way mutual- and hedge-fund returns are allowed to be reported. It may be savvy for most investors to avoid hedge funds or alternative funds because they are saddled with high fees, poor performance and relaxed reporting guidelines.

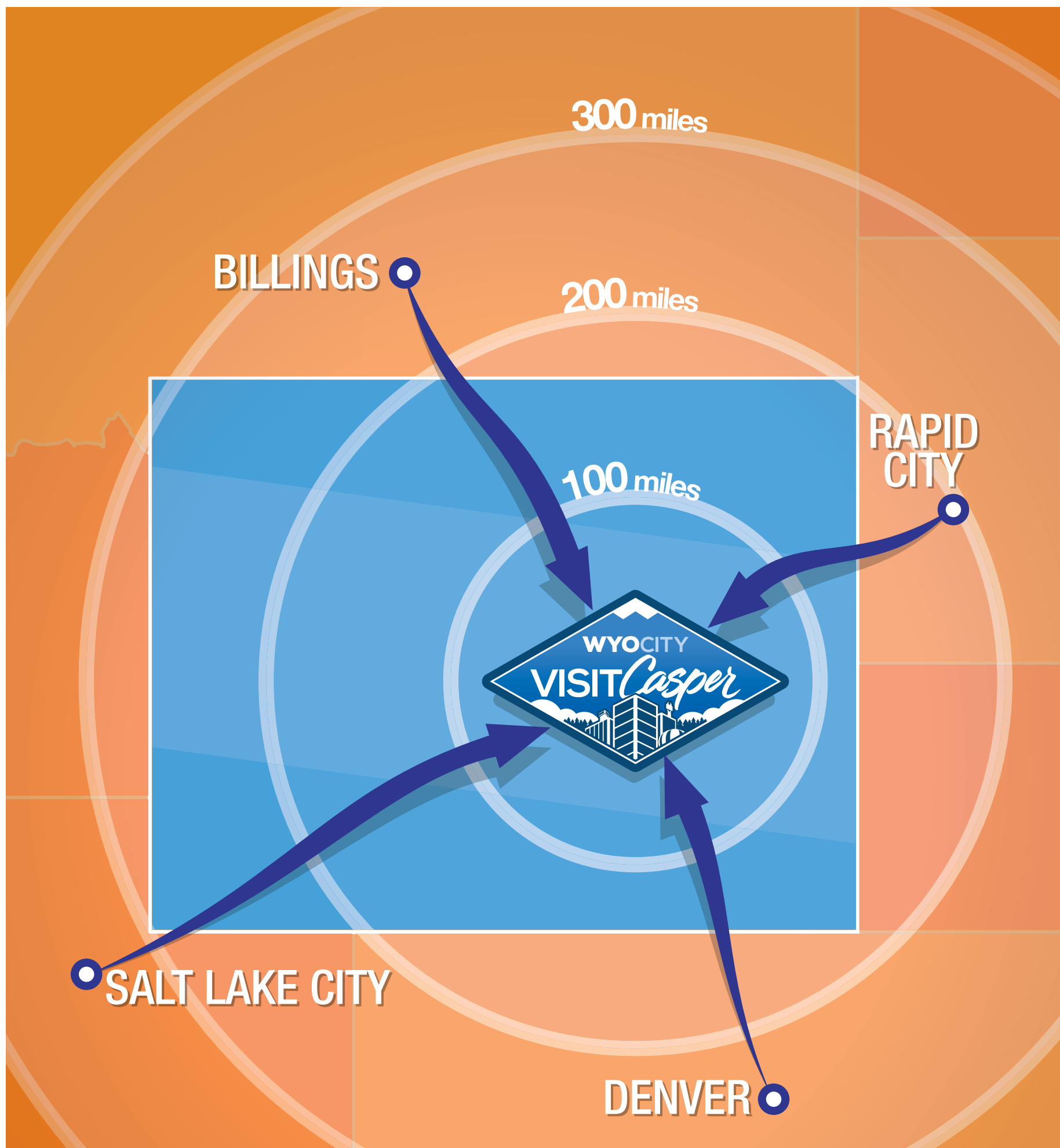
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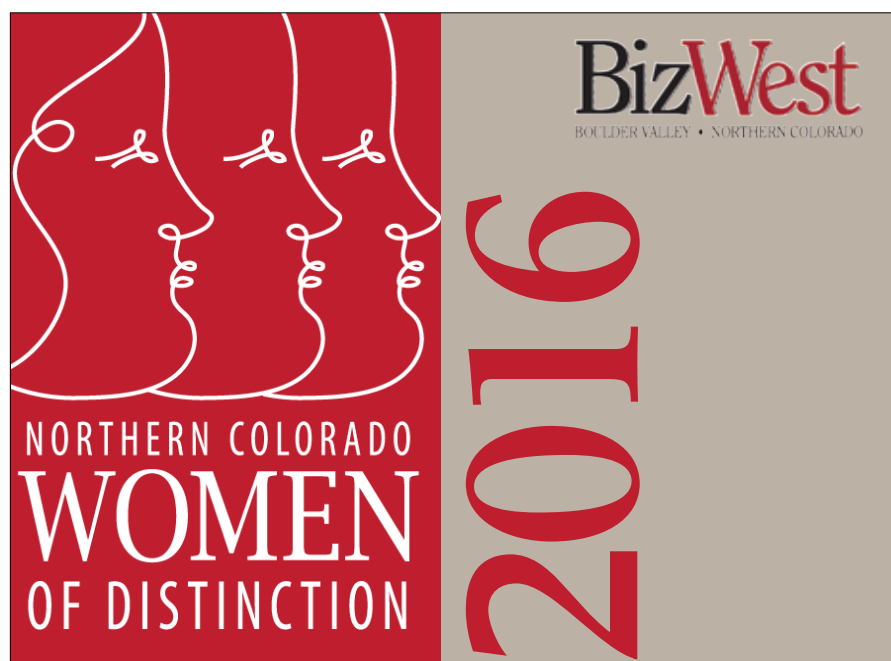
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Ten women and an outstanding mentor, who live and work in Larimer and Weld counties, will be honored for their achievements in business, philanthropic and government organizations.

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Time for your 2016 career tune-up?

Most of us schedule an annual physical with our doctors, and we get our teeth cleaned every six months. We even change the oil in our cars about every 3,000 miles. But, when it comes to our careers, we expect things to keep humming along without much care.

Our careers require regular maintenance, too! Without proper attention, even the most successful careers will begin to sputter and eventually break down. A few warning signs that you are past due for a professional tune-up include having a dated skillset, a complacent attitude at work or a dwindling network.

Some career-maintenance activities will help ensure that you find success in 2016 and beyond:

■ **Scan the horizon:** People who thrive in their careers are not just heads down at work. Every so often they look up to assess what is on the horizon in their industries. They stay abreast of new technologies, certifications and specializations that will be needed to remain competitive.

I often suggest that clients look at a few postings for the kind of work they are doing now. Many are surprised to find that they barely qualify for their own jobs! Attending industry-specific conferences and being active in professional organizations are two ways to ensure you remain up to speed on what's new and next in your field.

■ **Deepen connections:** Having a strong personal and professional network is key to our career health as well as our overall well-being. Networking need not be an awkward job search ploy. No one wants to be contacted by a long-lost colleague only when they need help finding a job. Don't be that person!

A key part of a career tune-up includes nurturing relationships inside your company, within your industry and across the community. Join a relevant meetup or lively networking group. Volunteer. Take

up a hobby. Schedule regular lunch dates with coworkers, colleagues and friends.

Be helpful to others and give of your time and talents. When you do this authentically, it will be much easier to ask for help without feeling uncomfortable. Always assess the quality of a professional relationship before asking for assistance. In other words, don't expect more from someone than the relationship warrants.

■ **Create a master résumé:** Many clients come to me with résumés that are 10 or 20 years old. It then takes considerable time and effort to update and target the document. You may lose a contract opportunity or be unable to meet an application deadline because you could not apply in a timely manner.

Creating a master résumé that outlines your professional history can keep you nimble in today's job market. A master résumé should include career highlights from positions held in the past 10 to 15 years as well as key accomplishments from your current position.

Having a continually updated résumé makes it easier to quickly target an application packet for specific positions. Being able to quickly articulate the value you provide also can help you justify a raise or negotiate a better job offer. A master résumé also can be used as the foundation for updating your online profile.

Career planning and management can be complex. We have many more jobs over our lifespans, and each career decision we make shapes and impacts future opportunities. Seeking out career counseling to set yearly goals and create an action plan can be just as important to our wellbeing as scheduling an annual physical.

If you have been coasting along without much thought to what is next in your career, now is the time to take proactive steps to ensure you are ready for your next professional venture. Here is to your success in 2016 and beyond!

Carrie Pinsky is a freelance writer, job-search coach and training specialist. Reach her at Pink Sky Counseling and Career Services, 970-225-0772 or www.pink-sky.net.



CAREERS
CARRIE PINSKY

A key part of a career tune-up includes nurturing relationships ... Join a relevant meetup or lively networking group. Volunteer. Take up a hobby. Schedule regular lunch dates with coworkers, colleagues and friends.



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TIME OUT



CHRISTOPHER WOOD/BIZWEST

From left: Paul Kellogg of Banner Health, Jason Tacha of Kaiser Permanente and Jim Sampson of Hub International chat during the Northern Colorado Economic Forecast on Jan. 27 at the Ranch in Loveland. More than 500 people attended the event, which featured University of Colorado Boulder economist Rich Wobbekind as keynote speaker.



CHRISTOPHER WOOD/BIZWEST

From left: Brianna Lafferty and Jeanna Whipple of Hall-Irwin Construction Corp. join Laine Landau of Lamp Rynearson and Associates at the Northern Colorado Economic Forecast on Jan. 27 at the Ranch in Loveland.



COURTESY GREELEY CHAMBER OF COMMERCE

LeeAnn Sterling, left, chats with Jean Morrell of Morrell and Associates during her Dec. 30 retirement reception at the Greeley Chamber of Commerce. Sterling retired as director of FUN and Visit Greeley.



COURTESY GREELEY CHAMBER OF COMMERCE

Barb Weber of ServPro of Greeley/Windsor talks with Art Long of Blue Mug Coffee during a Jan. 13 Business Before Hours event hosted by Triangle Cross Ranch at the Greeley Chamber of Commerce.



COURTESY GREELEY CHAMBER OF COMMERCE

From left: Brenda Craft of Contemporary Cook Catering & Café, Jen Granlund of CNTP Peake Wellness Center and Susan LaBonde of event host Triangle Cross Ranch meet at a Jan. 13 Business Before Hours. LaBonde provided an overview of the ranch and its planned Feb. 5 Soup Supper.



COURTESY GREELEY CHAMBER OF COMMERCE

Jenn Negley, left, of the East Colorado Small Business Development Center connects with Julia Karlin of Employer Solutions Group over breakfast at a Jan. 13 Business Before Hours event in Greeley.

ON THE JOB

A note to our readers

Beginning with the Feb. 19 issue, On the Job will become a paid feature of BizWest. Readers can submit information — in their own words — on new hires, promotions, or individual awards, benefitting from both print and online distribution, for a fee. For a complete description of the new On the Job packages, visit www.bizwest.com/on-the-job.

ARCHITECTURE, CONSTRUCTION

Alan Strope of Savant Homes was installed as chairman of the Home Builders Association of Northern Colorado. **Tara Buckner** of Spanjer Homes was named vice chair and **Steve Wick** of Steven J. Wick & Associates was sworn in as secretary/treasurer.

BIOSCIENCE

Boulder-based biopharma Clovis Oncology Inc. appointed **Dale Hooks** as chief commercial officer. He has been Clovis' vice president for sales since 2014. Hooks spent nearly 10 years at Genentech, where he held a variety of marketing and sales leadership jobs. He replaces Steve Hoerther, who is leaving the company to pursue other opportunities.

CANNABIS

Boulder-based Wana Brands, a maker of edible cannabis products, hired **Mica Gross** as director of operations. Gross will oversee the development of quality-assurance measures. He has more than 15 years of experience in project management.

ECONOMIC DEVELOPMENT

Former U.S. Rep. **Betsy Markey**, D-Colo., was appointed regional administrator of the Small Business Administration's Region VIII that covers Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming. She replaces Stan Nakano, who served as acting administrator after Matt Varikak left the post in 2015 to become the SBA's chief operating officer. Markey represented Colorado's 4th Congressional District from 2009 to 2011, and was assistant secretary for Intergovernmental Affairs in the U.S. Department of Homeland Security from 2011 to 2013. She co-founded Syscom Services Inc. in 1986 and was the owner of Huckleberry's Coffee Shop in Fort Collins, which she sold in 2000.

The Loveland Chamber of Commerce announced its 2016 board of directors. Incoming chair **Jason Tacha** is executive director of operations of Kaiser Permanente Colorado's Northern Colorado service area. **John Metcalf** of Perfect Square is chair-elect, **Debbie Davis** of Guaranty Bank & Trust Co. is secretary and **Philip Kembel** of Philip C. Kembel CPA LLC is treasurer. **Pete Gazlay** of Total Facility Care, LLC is past chair. Directors are **Stephanie Fancher** of Loveland Ready Mix Concrete, **Rollin Georing** of Loveland Commercial LLC/Midtown Homes, **Frank Kohl** of Lamp Rynearson & Associates Inc., **Heather Lechhook** of Aims Community College, **Kevin Lemasters** of EnviroPest, **Mary McCambridge** of Home State Bank, **Don Overcash** of Sandler Training, **Deanna Sloat** of Guaranty Bank and Trust, **Grant Thayer** of LPR Construction, **Eric Weedin** of Weedin Insurance Agency and **Russell Wooley** of Medical Center of the Rockies. Ex-officio: **Stan Scheer** and **Michael Hausmann** of the Thompson R2-J School District, **Dave Clark** of the Loveland City Council and **Rod Wensing** of the city of Loveland.

HIGH TECH

Jason Canon will serve as vice president and general manager of the new Boulder office of New Orleans-based ThinkIT Solutions, a provider of technology and management solutions to the business sector. He has more than 15 years of information-technology experience.

HOSPITALITY, RECREATION

Tristen Fay started Jan. 20 as PGA head golf professional at Fort Collins Country Club. Fay has served as first assistant professional at Denver Country Club and has held positions at Southern Hills Country Club in Tulsa, Okla., and the Broadmoor Golf Club in



FAY

Colorado Springs. He was merchandising supervisor for the Masters tournament at Augusta National Golf Club in Georgia and chosen as the 2015 assistant professional of the year by the Colorado Section of the PGA.

MANUFACTURING

Glen Longley transitioned from director of product management to a sales position as regional manager of energy markets at Boulder-based FreeWave Technologies. **Michelle Marceny** joined FreeWave as senior product line manager. She has more than 20 years of technical product marketing, sales and engineering experience across oil and gas, water and wastewater, power and medical device industries.

NONPROFIT

Andrea McGimsey of Leesburg, Va., was named executive director of the Colorado Chautauqua Association's board of directors. McGimsey replaces Susan Connelly, who stepped down in November after serving as executive director for 12 years. The 501(c)(3) nonprofit organization is the steward of historic Chautauqua in Boulder, which was designated a National Historic Landmark in 2006. McGimsey most recently served as executive director of Oatlands Historic House and Gardens, a National Trust Historic Site in Leesburg, overseeing preservation, sustainability, education and fundraising programs. She also served on the Loudoun County, Va., board of supervisors in northern Virginia and worked for the Piedmont Environmental Council on smart growth and environmental protection, as well as America Online and Dow Jones & Co. in interactive media. McGimsey, a graduate of Massachusetts Institute of Technology and New York University, is a former professional stage actress and director.



MCGIMSEY

Mark Drake was hired to manage Community Food Share's 45,000-square-foot warehouse in Louisville. He previously was warehouse manager at Dry Wally Supply in Golden. He has more than 20 years of experience in logistics and distribution, including produce and food distribution.



DRAKE

PRINTING

Longmont-based Circle Graphics, a producer of grand-format digital graphics, promoted **Judy Toran Cousin** to chief marketing and innovation officer. Cousin joined Circle Graphics in 2012 as chief strategy officer. She is married to the company's chief executive, Andrew Cousin.

REAL ESTATE

Jay Hardy was promoted from senior vice president for development to chief operating officer of real estate services at Fort Collins-based developer Brinkman Partners. He will oversee operations of Brinkman's development, brokerage and acquisitions teams. Prior to joining Brinkman in May, Hardy was vice president and general manager at Loveland-based McWhinney Real Estate Services Inc., where he served as general manager for the Centerra master-planned community in Loveland and the North Park community in Broomfield. He holds a master's degree from the University of Northern Colorado and a bachelor's degree from Colorado State University.



HARDY

NONPROFIT NETWORK

BRIEFS

Julie Johnson Haffner, executive director of the McKee Medical Center Foundation, resigned after 12 years, effective Feb. 5.

FUNDRAISERS

After an employee of **The Windsor Gardener** and **High Hops Brewery**, a single mother of two, was diagnosed with a type of Lymphoma, the businesses' owners and employees brewed a beer for her: "Bad Mamma Java." Proceeds brought in from this beer will be donated directly to her. The beer, only available at The Hop Hut inside The Windsor Gardener, will be served until all 310 gallons of it have been sold.

The **Windsor Community Foundation's** second annual **Brews and Bites for Windsor**, held Jan. 19, attracted almost 100 people who were treated to a five-course meal from **Hearth Restaurant & Pub** paired with special brews from **High Hops Brewery** and a silent auction. Major sponsors also included **Points West Community Bank**, **Life in Ptarmigan**

Hills & Meadows/The Valley Life Magazine, **Tom and Barb Macgillivray**, **Thrivent Financial (Dan and Deb Austin)**, **Windsor State Bank**, **FastSigns**, **Mail n Copy of Windsor**, **Vestas Blades America** and an anonymous sponsor. Event revenue, including in kind support, exceeded \$34,000. Proceeds will be used to provide grants to local nonprofit organizations that support basic needs in the community and scholarships to Windsor High School students

GRANTS

Miramont Lifestyle Fitness held its eighth annual **Colorado Moves to End Cancer**, a series of events that included a tennis tournament, late-night yoga party and a Spin-A-Thon. Proceeds from registration fees were donated to Miramont's philanthropic arm, **Miramont Cares**. A check for \$30,922 was presented to the **PVH and MCR Foundation**, which is being used to support **The Wellness Place**, the third and final phase of the **UCHealth Cancer Center**. The other half was donated toward the **University of Colorado Health's** nonsmoking lung cancer research.



Boulder economy booms amid housing challenges

Participants in January's CEO Roundtable included: **Kim Campbell**, senior manager/property management, Flatiron Crossing & Twenty Ninth Street; **Frances Draper**, vice chancellor of strategic relations, University of Colorado Boulder; **Lynda Gibbons**, president, Gibbons-White Inc.; **Josie Heath**, president, The Community Foundation Serving Boulder County; **Mary Ann Mahoney**, executive director, Boulder Convention and Visitors Bureau; **Susan Moratelli**, senior vice president, Sunflower Bank; **Shaun Oshman**, founder/CEO, iSupportU; **D.B. Wilson**, manager/broker associate, Re/Max of Boulder; **Jeff Wingert**, president, W.W. Reynolds Cos.; **Rich Wobbekind**, senior associate dean, Leeds School of Business, University of Colorado Boulder; **Jim Cowgill**, EKS&H; **Peter Schaub**, Berg Hill Greenleaf Ruscitti.

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Go to <http://bizwest.com/ceo-roundtable> for details

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For more information about the CEO Roundtable contact Sandy Powell at 303-630-1954 or spowell@bizwestmedia.com

BRIEFCASE

CLOSINGS

Positano's Pizza, 3645 S. College Ave. in Fort Collins, closed after 19 years.

The Gap closed its apparel store in the Promenade Shops at Centerra on Jan. 26, one of two in Colorado and 70 across the U.S. and Canada to be shuttered.

The Lodge Sasquatch Kitchen, a Fort Collins restaurant co-owned by Aaron May and Carolina Panthers defensive end Jared Allen, closed for good after falling behind on its rent. The restaurant, opened in May 2014 and featured last year on the Food Network's "Diners, Drive-Ins and Dives," turned its space at 151 N. College Ave. over to building owner Justin Crowley.

Boulder-based software consulting firm **Quick Left Inc.** closed its Portland, Ore., office as it brings its full development team back to Colorado and looks to grow its employee count within the state. Quick Left offered relocation packages to all six of its Portland-based employees.

CONTRACTS

Fort Collins-based **Optibrand Ltd. LLC** signed a global licensing agreement with Mentor, Ohio-based **Volk Optical Inc.** regarding use of Optibrand's patented RetCheck Technology software, a key component of Volk's iPhone-based retinal imaging camera sold under the tradename iNview.

Texas State University chose Fort Collins-based **Community Funded's** technology platform to help departments and programs across the campus implement coordinated and enhanced crowdfunding campaigns.

DEADLINES

Feb. 16 is the deadline to apply for an opening on the **Larimer County Board of Appeals voluntary citizens' advisory board**. The Board of Appeals hears and decides appeals of orders, decisions or determinations made by the Larimer County Building Official relative to an application and interpretation of the International Building, Residential, Plumbing, Mechanical, Fuel Gas, Energy Conservation, and Existing Building Codes. More specific information about this board is available at Larimer.org/boards, where residents also can apply for this vacancy. The new member fills this midterm vacancy through June 30 with possible reappointment for a three-year term beginning in July. Apply online or pick up an application at a county office.

EARNINGS

Metal food and beverage packaging giant **Ball Corp.** (NYSE: BLL) saw profit decline by nearly \$190 million in 2015, the Broomfield-based company disclosed in its fourth-quarter earnings report. Net earnings came in at \$280.9 million, or \$1.99 per share, down from \$470 million, or \$3.30 per share in 2014. Revenue, meanwhile, slid from \$8.6 billion to \$8 billion. The biggest hits came in its Metal Food & Household Products Packaging segment, where net income slipped \$46.5 million to \$107.7 million and revenue declined by \$200 million to \$1.3 billion. Ball's Boulder-based Aerospace and Technologies business saw earnings decline nearly \$12 million to \$81.8 million, with revenue declining by more than \$124 million to \$810.1 million. For the fourth quarter, Ball's profit was \$55.3 million, or 39 cents per share, down from \$76 million, or 54 cents per share the year before. Revenue declined from \$2 billion in 2014 to \$1.8 billion in 2015.

Woodward Inc. officials cited weakness in the natural-gas truck market in Asia, foreign currency exchange rates and overall economic pressure in China as the main reasons for a 41 percent slide in first-quarter earnings compared with last fiscal year. The Fort Collins-based company (Nasdaq: WWD) reported its earnings for the first quarter of its 2016 fiscal year, a period ending Dec. 31. Net income for the quarter came in at \$26 million, or 40 cents per diluted share, down from \$44 million, or 66 cents per diluted share a year earlier. Revenue slipped 9 percent to \$445 million. A 5 percent increase in sales in Woodward's aerospace segment, thanks to growth in defense sales and the commercial aftermarket, helped somewhat offset a 24 percent decline in industrial segment revenue, company officials said in the earnings report.

Oilfield services company **Halliburton Co.** (NYSE: HAL) reported a net loss for 2015 of \$671 million

after turning in a \$3.5 billion profit one year earlier. The Houston-based company, which has been a major player in Northern Colorado's oil and gas industry, saw revenue fall from \$32.9 billion in 2014 to \$23.6 billion in 2015. The net loss amounted to 79 cents per diluted share, compared with profit of \$4.13 per share in 2014. Net loss for the fourth quarter of 2015 was \$28 million, or 3 cents per share, versus a loss of \$54 million, or 6 cents per share for the same period a year earlier.

Verus Bank of Commerce, a community bank based in Fort Collins, reported a record net profit of \$5.7 million for 2015. The bank, led by Gerard Nalezny and Mark Kross, paid an 80 cents-per-share dividend to stockholders in January, representing a roughly 13 percent annualized return on shareholder equity. The earnings represented a 2.1 percent return on assets and a 17.69 percent return on equity. The average bank ROA in Colorado is 0.8 percent, and the average bank ROE in Colorado is 7.4 percent, according to Nalezny. The bank reported an efficiency ratio of 33.8 percent and a loan to deposit ratio of 109 percent. The bank efficiency ratio is a measure of a bank's overhead as a percentage of its revenue; the lower the percent, the better. Fifty percent is considered safe. As of September, Verus Bank had total assets of \$277 million and total deposits of \$230.5 million, according to the Federal Deposit Insurance Corp.

KUDOS

Fred L. Otis, attorney at Otis Bedingfield & Peters LLC, was recognized by Martindale-Hubbell for showing dedication, leadership and excellence in real estate law and for holding an AV Preeminent Rating for more than 15 years. During more than 40 years of practice as a real estate lawyer in Greeley, Otis also served as a Greeley municipal court judge from 1979 to 1985 and as a director of the Northern Colorado Legislative Alliance from 1992 to 1997. He was a member of the Commission on Judicial Performance for the 19th Judicial District from 2000 to 2007 and served on the Weld County Planning Commission from 1978 to 1983. Otis taught real estate law at Aims Community College from 1977 to 1979. Prior to entering private practice, he was an FBI agent from 1971 to 1976.



OTIS

A team at **Colorado State University** won the top prize in an online competition in the NASA Develop program, beating 25 other projects involving 100 researchers at 12 other locations across the nation. Each member of the winning team will receive a one-year trial version of ArcGIS software, furnished by the Redlands, Calif.-based Environmental Systems Research Institute, which sponsored the competition. The team's project focused on analyzing cheatgrass cover across the area burned by the Arapaho Fire in south central Wyoming.

Forbes magazine named Fort Collins-based **New Belgium Brewing Co.** one of the 25 Best Small Companies in America.

The Loveland Chamber of Commerce unveiled winners of its Annual Investor awards on Jan. 15. **Medical Center of the Rockies** was named Large Business of the Year and **Cactus Grille** was named Small Business of the Year. **Miki Roth** received the Heart Award for community involvement including work with the chamber, American Cancer Society and city of Loveland CMC. **Eric Weedin** of Weedin Insurance Agency was named Young Professional of the Year; **Deanna Sloat** of Guaranty Bank received the Ambassador of the Year award, and **Food Bank for Larimer County** received the Nonprofit of the Year award.

The Boulder Chamber unveiled the winners of its annual Celebration of Leadership awards, with city of Boulder economic vitality coordinator **Liz Hanson** and former city council member **George Karakehian**, owner of Art Source International sharing the top honor, the Franny Reich Local Business Hero Award. The awards event will be held March 2 at the Dairy Arts Center. **Gerry Agnes**, president and chief executive of Elevations Credit Union, was named business person of the year; **Ken Hotard**, senior vice president for public affairs

at the Boulder Area Realtors Association, and former mayor **Will Toor**, Colorado Air Quality Control commissioner, will receive community leadership awards; and Chill Digital Marketing owner **Diana Rands** will receive the Chamber Champion award.

Fort Collins-based design-build remodeler **High-Craft Builders** was named a 2016 "Best of Houzz" company by Houzz.com, an online platform for home remodeling and design.

North Colorado Medical Center in Greeley received the 2016 Distinguished Hospital Award for Clinical Excellence, according to Healthgrades, an online resource helping consumers find the right doctor, hospital and care. NCMC also was recognized for pulmonary care, critical care, stroke care and treatment, treatment of pneumonia and six other clinical areas.

The Home Builders Association of Northern Colorado held its annual awards and installation banquet on Jan. 28 at Ptarmigan Country Club in Windsor. **Savant Homes** was named privately held builder of the year, and **D.R. Horton** (NYSE: DHI) was named publicly held builder of the year. **William Griffiths** of First National Bank won the Chairman's Award for outstanding service, and **Bob Peterson** of Associates in Building and Design was recognized as Individual Member of the Year.

MERGERS & ACQUISITIONS

R. Waidler & Associates PC of Boulder will become part of **Eide Bailly LLP**, a regional certified public accounting and business advisory firm based in Fargo, N.D. Financial terms of the deal that became effective Feb. 1 were not disclosed. Rick Waidler, president of R. Waidler & Associates, and his four-person team will join Eide Bailly's office in Boulder, expanding its presence in Colorado to 177 people at offices in Boulder, Fort Collins, Denver, Golden and Grand Junction.

VaughnCPA, an Albuquerque, N.M.-based certified public accountancy practice, purchased Loveland-based **Frink & Associates PC**. The name of the Colorado practice will change to VaughnCPA.

John Murphy II sold **Action Restoration and Cleaning** in Fort Collins to **Rex Bell and his family**. Financial terms of the deal were not disclosed. The company, at 3201 E. Mulberry St., specializes in water extraction, large-loss water-damage claims, mold remediation, sewer cleanup and carpet- and rug-care services. Rex Bell recently left Broomfield-based MWH Global after 30 years, where he was a senior vice president for the employee-owned company that offers engineering, environmental and construction services around the world. Action Restoration will become affiliated with another company Bell acquired in December, Steamboat Springs-based **Flood Suckers**, a water-mitigation company in the region.

Louisville-based **NexGen Storage**, a homegrown Boulder County storage company one year removed from spinning off from Silicon Valley-based SanDisk, has been acquired once again. Austin, Texas-based **Pivot3** has acquired NexGen in an all-stock transaction. Both sides, however, characterized the deal as more of a merger that brings two companies with similar offerings together in a way that will allow them to accelerate growth.

The Colorado State Banking Board approved **Heartland Financial USA Inc.'s** (Nasdaq: HTLF) acquisition of **CIC Bancshares Inc.**, parent company of Centennial Bank and its 14 locations in Colorado, including Boulder, Nederland and Denver. Heartland is the parent company of Summit Bank & Trust, which has branches in Broomfield, Erie and Thornton.

Investment advisory firms **Sargent Bickham Lagudis LLC** in Boulder and **Colorado Financial Management Inc.** in Johnstown have merged. Sargent Bickham Lagudis manages about \$1 billion in assets, and CFM has approximately \$250 million in assets under management. The new firm will use the Colorado Financial Management name and brand, and maintain offices in Boulder, Denver and Johnstown. Employees in the Denver office are expecting to move to a new location in Cherry Creek this spring.

Vail Resorts Inc. (NYSE: MTN) on Tuesday announced that it has acquired **Wilmot Mountain** in

Wisconsin. Terms of the acquisition were not disclosed. Broomfield-based Vail plans to renovate Wilmot Mountain, which is located approximately 65 miles north of Chicago and 50 miles southwest of Milwaukee.

Urban-gro, a Lafayette-based distributor of lighting solutions for cannabis growers, merged with Morrison-based **Cannabis IPM Solutions**, a provider of pest-management products for cannabis growers. Financial terms of the deal were not disclosed. The companies will operate under the urban-gro brand, led by Bradley Nattrass, urban-gro's chief executive. John Chandler, founder and president of Cannabis IPM Solutions, will become vice president for cultivation technologies at urban-gro.

Broomfield-based **MWH Constructors**, a wholly owned subsidiary of **MWH Global**, acquired Slayden Construction Group, Inc., and together they formed a new company, **Slayden Constructors Inc.** Slayden is based in Stayton, Ore., and has operated in the Pacific Northwest since 1984, including construction of renewable energy and hydropower, fisheries, dams and river restoration.

The holding company for **Western States Bank** plans to merge with the holding company for **Wyoming State Bank**. The two companies, **First Express Nebraska** and **First Wyoming Bancorp.**, still need regulatory approval.

Boulder-based **Nostix LLC**, which develops catheter-tip confirmation systems used to increase the accuracy of placement of vascular-access devices, was acquired by Wayne, Pa.-based **Teleflex Inc.** (NYSE: TFX). Terms of the deal were not disclosed.

MOVES

Enemy Tree LLC, a tech startup that launched its first mobile application in November, moved its headquarters from California's Silicon Valley to Longmont, with plans of tapping into the local talent pool to grow the business. Enemy Tree's first product is Mosaiscope, a news aggregation app that allows users to follow any news site or blog with an RSS feed, as well as specific news topics of their choice.

Surfside 7, a bar, restaurant and music venue in Fort Collins, reopened after moving to 238 Linden St. from 150 N. College Ave.

NAME CHANGES

The owners of Suehiro, 223 Linden St. in Fort Collins, closed the restaurant and planned to reopen it as **Wabi Sabi** Japanese steakhouse.

Praha Restaurant and Bar, 7521 Ute Highway in Hygiene, which opened in 1977 as **Old Prague Inn**, changed its name to **The Prague Bistro and Boutique**.

OPENINGS

Envision Energy, a China-based maker of wind turbines and energy-management software, is opening a research and development office in Boulder. The Global Blade Innovation Center will be led by former Siemens engineer Kevin Standish, who will be charged with hiring an undisclosed number of employees to staff the local office. Standish, who is working out of the Regus co-working space in downtown Boulder, aims to have a permanent office lined up within six months. The Boulder office will focus specifically on blade design.

Columbine Health Systems opened a 34,000-square-foot addition to New Mercer Commons, an assisted-living facility at 900 Centre Ave. in Fort Collins. The addition, called The Pines, consists of 40 apartments that were added to the west end of the existing 48,000-square-foot New Mercer Commons.

Richard Shane launched **Sleep Easily LLC** in Boulder, a company that offers a medication-free method to help people overcome sleep difficulties. Shane, a psychotherapist since 1977 and behavioral sleep specialist for New West Physicians, developed the method to cure his own insomnia. It uses audio recordings to help trigger sleep using relaxation techniques.

Little Rock, Ark.-based information-technology firm **ClearPointe** opened a sales office in Fort Collins that will be headed by Joe Buckner, a Fort Collins native who previously worked in sales at All Please see **Briefcase**, page 36

BRIEFCASE

Briefcase, from 34

Copy Products. The company implements monitoring software on a client's network, and its technicians address problems to keep services running whether the networks are onsite, at a remote location or operate in the cloud. ClearPointe's new office is at 242 Linden St.

A chef and entrepreneur who runs a food truck and a space at a Denver collective was to open a restaurant in Lyons specializing in locally sourced farm-to-table fare. **Tim Payne**, who ran the Terroir restaurant on Main Street in Longmont for five years and whose food truck is a familiar sight at the Boulder County Farmers Market, was to open **Farmer Girl** on Feb. 3 at 432 Main St. in Lyons. The 2,500-square-foot space, leased through Squire Realty, had been Gateway Café for many years, then Sushi Matsuri and — after the September 2013 flood — Local Eat+Drink, which closed in November.

Farmer's Table reopened in Fort Collins at 2140 W.

Elizabeth St., joined by four new eateries: **The Lost Cajun**, 331 S. Meldrum St., Suite 100; **McClellan's Brewing Co.**, 1035 S. Taft Hill Road; **Sweet B's Bakery**, 1913 W. Lake St.; and **The Twisted Noodle**, 1335 W. Elizabeth St. Also opening there are commissary kitchens **Bindle Coffee Espresso Bar**, 1933 Jessup Drive; **Disc O' Inferno**, 2649 E. Mulberry St., Unit 31; and **Let Thy Food**, 905 N. College Ave.

Green Chef, a Boulder-based company that makes certified organic meal kits, opened a distribution center in Swedesboro, N.J., allowing it to ship product to customers in the Midwest and along the East Coast.

Village at the Peaks in Longmont announced newly signed merchants including **Ozo Coffee Company**, **Mathnasium**, **The Sleep Number** and **Brain Balance Achievement Center**.

Andy Brannon and AJ Kruesel opened **Beeline Bikes Colorado Front Range** to provide mobile

bike-shop services to the Boulder and Denver markets. Brannon and Kruesel have become franchisees of San Carlos, Calif.-based Beeline Bikes, which also has franchises operating in the San Francisco Bay area, Phoenix and Los Angeles markets.

Loveland-based development company **Armada Holdings LLC** will build and open **29th Street Self-Storage** at 215 W. 29th St. in Loveland, just west of U.S. Highway 287. The facility will offer up to 270 climate-controlled storage units, a feature not yet available in Loveland. The project will break ground in mid-April and open by late summer or early fall. Building will be done by Windsor-based McCauley Constructors, Loveland-based Hauser Architects will provide design and Armada Properties will serve as the management company. Those who wish to reserve a unit can email contact@ArmadaProperties.com.

Rapidly expanding **Lucky's Markets**, which likes to place its locally sourced natural and organic grocery stores in college towns, opened Jan. 27 near the University of Kentucky in Lexington and reportedly is looking for a spot in the Twin Cities, possibly near the University of Minnesota campus. The 47,000-square-foot store in Lexington is the 16th U.S. location for the Boulder-based chain that was started in 2003 by chefs Bo and Trish Sharon.

PRODUCT UPDATE

Boulder-based **Rudi's Organic Bakery** brand launched **Rudi's Organic Bakery Kids Bread**, the first nationally available organic bread made for children.

Fort Collins Brewery will add a canning line in March and revamp its beer lineup, moves that also will come with updated label designs. The 13-year-old brewery's core lineup of four beers will be available only in cans. That lineup includes Red Banshee Red Ale, albeit with an updated alt style. Major Tom's Pomegranate Wheat, an FCB seasonal, also joins the core lineup along with Far Away IPA. Shot Down, a "reincarnated version of Chocolate Stout," will round out the year-round offerings.

Boulder software firm **VictorOps Inc.** unveiled a pair of new products — VictorOps Standard and VictorOps Enterprise — that provide virtual environments for on-call development operations teams to collaborate quickly and effectively, regardless of location or device.

SERVICES

Diesel Services of Northern Colorado, located in Fort Collins since 1998, expanded its truck repair territory to include Johnson's Corner in Johnston. The truck repair shop is located in a newly constructed building at 4738 Marketplace Drive near Candlelight Dinner Playhouse just south of the Johnson's Corner truck stop.

Fort Collins Utilities is accepting applications on a first-come, first-served basis for photovoltaic system installations in 2016. Rebates of 50 cents per watt are available to the city's electric customers, up to \$1,500 for residential installations and \$10,000 for commercial installations. Applications are available at fcgov.com/utilities/residential/renewables/solar-rebates and can be submitted electronically to utilities@fcgov.com. On-bill financing also is available at fcgov.com/financing. Details and a list of qualifications also are available at the website or by calling 970-224-6157.

January brought continued enhancements in public transit for the Boulder Valley and Northern Colorado as the Regional Transportation District and Transfort extended and added bus services. RTD's new Flatiron Flyer bus rapid transit service consists of six routes that replace and improve several of the current routes servicing the U.S. Highway 36 corridor between Boulder and Denver. Boulder now is connected directly to Loveland and Fort Collins on weekdays since Transfort, the city of Fort Collins' public-transit agency, extended its FLEX regional route. Riders who wished to travel between Larimer County cities and Boulder formerly had to transfer at one of two stops in Longmont between FLEX and RTD's BOLT express route.

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Headwinds, tailwinds for NoCo economy

By Christopher Wood
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LOVELAND — Northern Colorado's economy will experience strong growth in 2016, but two key sectors — agriculture and natural resources — will struggle because of low commodity prices, including energy, cattle and crops.

But look for strong markets in the health-care, banking, commercial real estate and startup sectors.

That was the message from Rich Wobbekind, executive director of the Business Research Division at the University of Colorado Boulder Leeds School of Business, and other speakers at the Northern Colorado Economic Forecast on Jan. 27. Wobbekind was keynote speaker at the event, which attracted more than 500 people to the First National Bank Exhibition Hall at the Ranch events complex in Loveland.

Wobbekind provided an outlook for the national, state and local economies.

"The U.S. is a strong growth country compared with the rest of the world," Wobbekind said, noting that the U.S. unemployment rate stands at just 5 percent, with even lower numbers in Larimer and Weld counties, which hover at around 3 percent.

"Colorado is one of the fastest-growing states in the country in terms of employment growth," Wobbekind said, noting that the top states in the country for employment growth include either strong technology or energy sectors, or both.

In Colorado, "the tech sector has been very strong, and of course, both of those sectors have been growing in Larimer/Weld," Wobbekind said.

Low unemployment will cause increasing competition for skilled workers, Wobbekind, added.

"Both nationally and in Northern Colorado, we are going to have a shortage of talent," he said, adding that Colorado needs continued in-migration of new residents, as well as increased participation from the existing labor force.

Statewide, Wobbekind's forecast calls for slower job growth in 2016.

"Yet the number we're forecasting, if it comes true, if it is realized, will probably put us in the top five states for job growth again," he said.

Wobbekind said that consumer consumption has helped the U.S. recover from the worst recession since the Great Depression.

"The consumer has kept the U.S. economy going over the past several years," he said.

Additionally, low interest rates have contributed to a low debt-burden service, as consumers paid off credit-card debt after the recession. Additionally, wealth has increased significantly, and consumer confidence is strong.

Wobbekind said that, nationally,



BIZWEST PHOTO

More than 500 people attended the Northern Colorado Economic Forecast event at the First National Bank Exhibition Hall at the Ranch events complex in Loveland.

manufacturing remains a concern, with manufacturing employment on the decline and a strengthening dollar affecting exports negatively.

One area that represents both a positive and a negative for the state and local economy is the high price of housing, which is good for homeowners but bad for would-be homebuyers. Housing appreciation statewide grew by 12.7 percent last year, he noted.

"We have a very, very hot housing market," Wobbekind said.

That can make it difficult to recruit companies and talent to the Northern Colorado and the state overall.

"We need to be putting more housing on the market," he said, adding that surging construction prices make it difficult to solve issues with affordability.

The two sectors that Wobbekind believes will struggle in 2016 include agriculture and energy.

"We view this as a difficult year for agriculture based on cattle prices and commodity prices," Wobbekind said. "We do think that prices are going to make it difficult for farmers to have a banner year."

That will lead to less demand for tractors, equipment and other capital expenditures for the ag sector.

Low energy prices should be a positive for the national economy, but Wobbekind acknowledged that the state of the energy economy will present challenges for Northern Colorado, particularly Weld County.

"I think you're going to see a little bit of a shakeout, a little bit of a consolidation (among energy companies)," Wobbekind said.

Among other industry sectors:

Health care

Panelist Roland Lyon, vice president of strategy, market expansion and network operations, Kaiser Permanente Colorado, said the Patient Protection and Affordable Care Act, known as Obamacare, "has really turned the industry on its side,"

with employer-sponsored health plans decreasing in number.

That's made consumers more conscious of the cost and value of health-care services, he said.

"We think that's a positive," he said.

But the percentage of U.S. gross domestic product devoted to health care continues to increase, to 18 percent, compared with 5 percent in 1960. "It can't continue," Lyon said, referring to rising costs for health-care premiums, deductibles and services.

Startups

Panelist Charisse Bowen, campus director, Galvanize Fort Collins, described the rapid growth of an entrepreneurial ecosystem in Northern Colorado, with programs at Colorado State University, the University of Northern Colorado and elsewhere helping to promote startup companies and a culture of innovation.

Innosphere, a Fort Collins incubator, last year graduated the largest class in its history, 18 companies, Bowen noted, with 120 companies having gone through the incubators doors since its opening.

She noted that Galvanize Fort Collins, located on Linden Street downtown, opened with 75 percent occupancy and now ranks as the most-occupied of all Galvanize locations.

"It's a true testament to what is happening in the startup scene here," Bowen said.

Banking

Panelist Jamie Hardy, senior vice president and manager of healthcare banking, Guaranty Bank and Trust, noted that the Colorado banking sector now employs 22,000 workers, with \$1 billion in payroll and \$126 billion in assets.

Banks have recovered from the financial woes of the Great Recession, Hardy said.

"We have surpassed, in terms of assets, deposits and loans the pre-recession levels," he added, adding that non-accrual

loans and other real estate owned — properties taken back by banks — have both gradually declined nationwide.

"Balance sheets are extremely strong right now," he added, noting that consolidation among financial institutions likely will continue.

"I would not be surprised to see some more this year," he said.

Commercial real estate

Panelists Jessica Ostermick, director of research and analysis — Colorado region, for CBRE, and Kyle Lundy, vice president, senior adviser, CBRE — Northern Colorado, said the Northern Colorado commercial market remains very strong, with the office market enjoying higher rental rates and lower vacancies.

Office demand is particularly strong in the technology sector, creative industries, and health care and insurance sector, with agribusiness expected to see increasing demand.

Industrial space has not yet felt the effects of lower energy prices — energy companies use large chunks of industrial square footage — but CBRE has spotted some increase in industrial space available for sublease.

"This industry has been so important to absorption," Ostermick said. "We think it's going to pause."

Ostermick noted that the Northern Colorado apartment market has been exceptionally strong, with 5,000 of 20,000 existing units being built in the last five years, adding that the new supply should help slow the growth of rental rates.

Retail

The retail sector will continue to absorb the effects of redevelopments of Foothills Mall in Fort Collins and Twin Peaks Mall in Longmont. But the region's growth has brought significant new national retailers, including Trader Joe's, Nordstrom Rack and Costco, Lundy said.

On the negative side, e-commerce will pose challenges for traditional retailers.

"It (e-commerce) has put a little dent in our brick-and-mortar footprint," she said.

Lundy noted that Northern Colorado has begun to attract large out-of-state investors, including real estate investment trusts, lured by the region's growing population, strong demographics and diversified employment base.

"A lot more investors are willing to come here," he said.

Presenting sponsors for the Economic Forecast included Coan Payton & Payne LLC, Guaranty Bank and Trust Co., Monfort College of Business at the University of Northern Colorado, CBRE and Kaiser Permanente.

Christopher Wood can be reached at 303-630-1942, 970-232-3133 or cwood@bizwestmedia.com.

BW COMMENTARY

Loss of I-25 funding grant should not deter supporters from promoting the project

Don't give up.

Recent word that Colorado failed in its bid to secure part of the U.S. Department of Housing and Urban Development's \$1 billion National Disaster Resilience Competition grants was a disappointment to those interested in improving Interstate 25 through Northern Colorado.

Colorado was among 40 finalists for the program, but the state was dropped from the list of 13 winning bidders when winners were announced in late January. The Colorado Department of Transportation had hoped to secure \$90.9 million to improve bridges over the Big Thompson, Little Thompson, Poudre and St. Vrain rivers on I-25. The state sought \$273.2 million overall for a variety of projects made necessary by flooding and wildfires.

State officials pointed out that the closure of the northern I-25 corridor during the 2013 floods caused an economic loss of about \$66 million, with floodwaters damaging highway crossings at those rivers.

We hope that CDOT and broader coalitions working to widen I-25 to three lanes in each direction between Colorado Highways 66 and 14 will continue to seek any and every available dollar that will advance the much-needed upgrade to the interstate.

Disasters such as flooding help define the need for improvements to I-25 on a dramatic scale, but commuters who travel on the corridor every day understand the desperate need for improvements.

I-25 has become the "Main Street" of Northern Colorado, linking communities in Larimer and Weld counties. But it's also a vital thoroughfare connecting Northern Colorado's population of 600,000 with the Denver metropolitan area, Denver International Airport, and much more.

While the loss of a potential funding grant is painful — and inexplicable, given the need — responsibility for transportation needs is not limited to HUD, nor should a HUD grant be the only way to get critical projects funded. Congressional and Colorado legislative leaders must realize that governmental funding for roads, bridges and other infrastructure is essential and a responsibility of government.

Local jurisdictions, including cities and counties, have come forward with some funding solutions. But a project of this magnitude requires federal and state participation.

So how about it, congressional and legislative leaders? Where is your solution to fund vital transportation projects not only in Northern Colorado but also in Colorado Springs and the Interstate 70 corridor?

We know that we — and civic, business and government leaders in the region — won't give up until improvements are under way.

John Anderson, where are you?

We never knew we had it so good. I was a senior in high school during the 1980 presidential election — the first one I remember with any depth — with Ronald Reagan and incumbent Jimmy Carter battling it out with former Illinois Republican congressman John Anderson, who was running as an independent.

Leading up to the election, which Reagan won in a landslide, were many entertaining moments as Reagan fought for the Republican nomination against, among others, George H.W. Bush. During one such moment before the New Hampshire primary, Reagan angrily chastised a debate moderator, arguing that other candidates should be allowed to debate alongside him and Bush.

"I am paying for this microphone, Mr. Green," Reagan said, incorrectly. (The moderator's name was Jon Breen.)

But the moment was a classic, and probably helped Reagan win the New Hampshire primary and, ultimately, the presidency.

Of course, there was the heated fight between Carter and Massachusetts Sen. Ted Kennedy, a hard-fought contest that wounded Carter immensely as he headed into the November election.

Reagan and Carter had their moments of mild testiness, but their campaigns — and the primaries leading up to them — paled in comparison with the vitriol, rudeness and personal attacks evident in 2016.

Hillary Clinton and Bernie Sanders seem to be keeping things relatively polite, but one suspects that the virtual tie in the Iowa caucuses might heat things up a bit. But how to compare the Republican nominating season of today with that of 1980?



**PUBLISHER'S
NOTEBOOK**
CHRISTOPHER WOOD

Can anyone imagine Reagan launching a vicious personal attack against a debate moderator, as Donald Trump has done to Megyn Kelly? Can you picture him attacking Muslims? "I'm paying for this microphone" was as vicious as it got.

Reagan would be appalled at the violations — by those Republicans at the top of the polls — of his 11th Commandment, "Thou shalt speak ill of no other Republican."

Once elected, Reagan maintained a political rivalry with House Speaker Tip O'Neill, a Massachusetts Democrat. The two fought battle after battle, but still enjoyed frequent drinks together, a time to share their mutual Irish humor.

Politics was different then. Yet, I well remember, as I became interested in politics, lamenting the level of discourse even then. Why couldn't Republicans and Democrats just come together on major issues, I wondered.

Little did I realize that compromise happened far more than I realized. Government was run. It wasn't perfect. It wasn't an ideal. But budgets were passed. Compromises were struck. Governance went on.

Today, I have a niece who has seen many of the Republican and Democratic candidates. She's had her picture taken with Carly Fiorina. She's had Hillary Clinton autograph an old coloring book featuring the former secretary of state. She's excited that she lives across the river from Iowa and was able to see so many candidates.

But I have to wonder how she would compare what she's seen with the election of my formative years. More than anything, I hope that, one day she doesn't look back at this election cycle and regard it as the "good old days."

We can do better.

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BW POLL

Should the Supreme Court sustain or overturn President Obama's executive actions on immigration?

Overturn 78%

Sustain 22%

Next Question:

Should the state divert money from transit projects such as Bustang toward road construction?

Visit www.BizWest.com to express your opinion.

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Does social media have a polarization problem?

Wael Ghonim was a young computer engineer working for Google in Egypt when he became a central figure in the events leading up to the Arab Spring in 2011.

In early 2011, Wael created a Facebook page titled, “A Revolution against Corruption, Injustice and Dictatorship,” and the number of followers quickly mushroomed.

On Jan 14, he posed a question to the 300,000 followers of the page: “The 25th of January is Police Day. It’s a national holiday. If 100,000 of us take to the streets of Cairo, no one is going to stop us. I wonder if we could do it.”

In just a few days, the invitation reached over a million people, and over 100,000 people confirmed attendance, on January 25, his fellow Egyptians flooded the streets of Cairo, calling for change, breaking down the barrier of fear and announcing a new era.

But then came the consequences.

After a few hours, state police shut down the Internet and all telecommunication lines. They also kidnapped Wael and held him in total isolation for the next 11 days.

Three days after Wael was released, Egyptian President Hosni Mubarak was forced to resign.

For Wael, this was the most inspiring and empowering moment of his life. It was a time of great hope. Virtually everyone in Egypt lived in a state of euphoria for the 18 days following the Mubarak resignation.

However, their post-revolution

euphoria quickly faded as they failed to build consensus about what to do next. The political struggle that followed led to intense polarization and social media only amplified the problem, by facilitating the spread of misinformation, rumors, and hate speech.

As Wael recounted that period of time, “The environment was purely toxic. My online world became a battleground filled with trolls, lies, and hate speech. I started to worry about the safety of my family.”

Political divisiveness reached its peak as the two main factions — army supporters and Islamists — took to the streets in the middle of 2013.

Activists such as Wael suddenly found themselves caught in the middle feeling helpless. “Both groups wanted you to side with them; you were either with them or against them.”

On July 3, 2013, after three days of protest demanding his resignation, the army stepped in and ousted Egypt’s first democratically elected president.

With social media the power to tear down far exceeds the power to build up!

Choosing sides

A recent Pew Study concluded that 39 percent of consistent conservatives and 30 percent of consistent liberals tend to drive the vast majority of political discussions. These are the people that talk about politics often, and others turn to them as an authoritative voice of information.

Not surprisingly, as our online awareness increases so does our ideologically consistency. Some of the study’s findings included:

- For consistent conservatives ...
- They expressed greater distrust of 24

of the 36 news sources measured in the survey. At the same time, 88 percent of them trusted Fox News.

- As Facebook users, they were more likely to narrow their circle of friends to read political opinions that were in line with their own views.
- A full 66 percent say most of their close friends share their views on government and politics. By contrast, consistently liberals:
- They expressed more trust than distrust for 28 of the 36 news outlets in the survey. For liberals, NPR, PBS and the BBC were the most trusted news sources.
- They were more likely to block or “defriend” someone on a social network, or end a personal friendship, because of politics.
- On their Facebook feeds, liberals were more likely to follow issue-based groups, rather than political parties or candidates.

With minute-by-minute online increased coverage, intimate social circles, and global awareness, arguments become more refined, groups become more consistent in their messaging, and people have an easier time choosing sides.

Five critical issues

Over the past couple years, Wael has spent considerable time trying to ferret out the root cause behind social media’s polarization problem. Here are the five critical challenges that he feels need to be addressed.

- 1. Rumors.** On social media, we don’t know how to deal with rumors. Rumors that confirm people’s biases are now believed and spread among millions of people.

2. Echo chambers. On social media, we create our own echo chambers. We tend to only communicate with people that we agree with, and tend to mute, unfollow, and block everybody else.

3. Angry mobs. Online discussions quickly descend into angry mobs. It’s as if we forget that the people behind the screens are actually real people and not just avatars.

4. Hard-to-change opinions. Because of the speed and brevity of social media, we are forced to jump to conclusions and write sharp opinions in 140 characters about complex world affairs. And once we do that, it lives forever on the Internet, and we are less motivated to change these views, even when new evidence arises.

5. Broadcasting over engagement. Our social-media experiences are designed in a way that favors broadcasting over engagements, posts over discussions, shallow comments over deep conversations. It’s as if we agreed that we are here to talk at each other instead of talking with each other.

Final thoughts

For social-media companies, the polarization problem is more than a little obvious. The solution less so.

Broadcasting a message is easy. Cultivating a thoughtful stand takes time, as every engagement requires human effort, personal attention, and emotional commitment, all of which are in short supply.

Was the message ever intended to supersede the messenger?

Thomas Frey is the senior futurist at the Davinci Institute. He can be reached at 303-666-4133.

FROM THE WEB

Below is a sampling of comments on recent online content at BizWest.com. To see the original comments and add your own, search for the headlines on our website.

Story: “Loveland officials: Hach moving forward with \$25M expansion,” Jan. 19

Commenter: RyanH

“Bin-ness as usual. Reverse Robin-Hoodism at its finest. Give to the wealthy & take from the rest of us. It’s also called tinkle-down economics. We all know who gets peed on.”

Story: “The Group: Home sales, prices will increase in Northern Colorado in 2016,” Jan. 21

Commenter: Chris Hardy

“I always look forward to The Group’s forecast each year and they always do a great job setting a positive tone for our region and community! Thank You! One thing the article leaves out, however, is the fact that while there are 10 national builders active in Northern Colorado, there are very few local builders still operating. 10 years ago, there were dozens of locally-owned builders churning out inventory. The recession, incredibly constrictive lending policies, draconian construction defects legislation, and a lack of skilled labor contributed to the small builders’ demise. I hope that we see local builders come

back into the market as their personal stakes in a community goes beyond the most recent quarterly earnings report of a publicly held National Builder.”

Story: “COGCC approves local-control rules for oil and gas operators,” Jan. 26

Commenter: RyanH

“What ‘local control rules’?? It only requires oil and gas companies ‘to consult with’ local governments... they have no regulatory authority, no permitting, no real say. It’s a sham and a shame.”

Commenter: Sonia

“I’m with Ryan. This is weak reporting because anyone might ask, ‘What happens when the local government does not like the plan?’ Awareness is only the first

step, hardly a rule. But if they call it that, folks read the headline and think it’s all fine now!”

Story: “Estes Park trustees OK plans for wellness, performing-arts centers,” Jan. 27

Commenter: Doug Dagrid

“What crap. The Performing Arts Center sailed through because everyone in town knows they will never raise enough money to build it, so this was like giving a performance ribbon to the kid who is overweight and everyone makes fun of. The Stanley passed because the mayor is in John Cullen’s pocket, and some trustees are too afraid to stand up before the ‘great and powerful’ Oz.”



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