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THE BUSINESS JOURNAL OF THE BOULDER VALLEY AND NORTHERN COLORADO

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A faster commute

New regional bus services lure riders with comfort, reliability, amenities.

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JOEL BLOCKER / FOR BIZWEST

Bruce Atwood, a driver with Bustang, Colorado's newest interregional bus line, waits for the last passengers to board before driving the southbound bus to Denver. Atwood was the first driver Bustang hired.

FORT COLLINS

Arts district among couple's Visions

Project to include arts center, gallery, distillery & restaurant. **PAGE 6**

LONGMONT

Wiland raises \$30.6 million to buy back stock

Company enjoys strong growth, plans new HQ. **PAGE 8**

REAL ESTATE

New hospital to drive other developments

UCHealth facility expected to spur Broomfield projects. **PAGE 12**

STARTUPS

MergeLane grad BallotReady informs voters

Startup publishes in-depth information on candidates. **PAGE 22**

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QUOTABLE

"For a lot of people, it's the last trip that matters. They want to have assurance that there's another bus later if they miss that one."

Timothy Wilder, Transfort service development manager.
Page 10

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concept3D adding new dimensions to design

JONATHAN CASTNER FOR BIZWEST
Oliver Davis, chief executive of concept3D, has moved his company from a service provider to software product sales.

By Jeff Thomas

news@bizwestmedia.com

BOULDER — Sometimes a great business plan is to follow the smartest people you know in the industry, and in the tech industry who's smarter than Google?

While Oliver Davis' business plan has progressed substantially, including a major product launch on June 16, that was pretty much what he was thinking when he founded concept3D.

That business plan began in 2006 when Google acquired Boulder's wildly successful SketchUp, a three-dimensional modeling computer program for a wide range of drawing applications such as architecture, interior design, civil and mechanical engineering, film and video-game design. Google Earth was just getting off the ground and Davis figured on partnering with the tech giant to create 3-D worlds.

"It was evident that there were no companies doing that," said Davis, the company's chief executive. "Our roots are really in SketchUp, and we built Google Earth models. From there we did a lot of work on the Beijing Olympics (in 2008) and a lot of work for South African and European stadiums."

A services company during its infancy, concept3D still had plenty of steady work early on with offices in Boulder and in Eden Prairie, Minn. Zack Mertz, who was the lead trainer for SketchUp prior to the Google acquisition, was the company's first hire and runs the Minnesota office as vice president for design and production.

"Then Disney came along and we started creating campus models," Davis said. "We were contacted by Boston University (for a campuswide model). We had done some research in ways to make maps and 3D infor-

concept3D
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 Boulder, CO 80303
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MINNESOTA OFFICE
 10125 Crosstown Circle, Suite 105
 Eden Prairie, MN 55344
 concept3D.com
Founded: 2006
Employees: 25 people (15 in Boulder)
 One dog, Shadow, vice president for morale (Minnesota)

mation more accessible, and that was the beginning of our CampusBird software."

CampusBird, the company's first product line, provides interactive maps and virtual tours to enrich online visitor experience — and presumably to enhance school enrollment. The company has sold the software to more than 250 universities, colleges and independent schools, but most of the 3-D imagery and mapping, which grew to include facility management services, was created by concept3D staff — meaning there was still quite a lot of reliance on the professional-services business model.

But a number of potential clients also were looking at the CampusBird model and wondering why concept3D wasn't servicing their industries. One of those was the convention business, which has been using interactive mobile apps with maps to serve its guests, but really needed a more top-to-bottom software solution.

That solution, from Davis' perspective, is the recently released atlas3D, which he said serves all elements of convention marketing and sales, as well as the exhibitors and guests. "Frankly, there are a lot of applications that work well enough for the guests," he said.



COURTESY ATLAS3D

Left, a sample rendering of Roswell Park Cancer Institute in Buffalo, N.Y., demonstrates the full depth of the atlas3D platform.

For one thing, atlas3D addresses interior spaces much in the same way that CampusBird does outdoor spaces and visitation. That allows space planning by the owner or manager of the facility, as well as the host of the convention; marketing and sales by the convention planner, including online sales of specific convention areas; and planning and pricing for participants in the convention.

To top it off, atlas3D largely functions like a content-management website, allowing managers to add content and events, and rapidly change additional locations for specific conventions.

"The sky's the limit on how much content and how many locations a planner can add," Davis said. "They can choose what is shared publicly or privately, and up to 60 people can be using the application" with specific access to areas they can change.

While conventions are a good example of how robust the atlas3D software can be, Davis said a number of other users have embraced the system in the year before its official release. One is a vacation area in Martha's Vineyard, and a number of retirement communities already are on board, as well.

"We built atlas3D to provide a competitive edge for any location or facility looking to engage visitors online and promote their space," said Davis in a prepared statement.

"There is no better way to give visi-

tors, guests and customers an experience that allows them to explore and request more information or make a decision on the spot," he said. "The atlas3D platform provides a set of tools our clients now depend on, and the response has been overwhelmingly positive."

While moving from a service provider to software product sales sometimes can be financially daunting, Davis said both the CampusBird and atlas3D business sectors will be positive revenue producers this year. The company doesn't reveal its overall revenue stream, but Davis said revenue has doubled every year for a company looking forward to its 10th anniversary in August.

The company also has high hopes for its simuwatt Energy Auditor software, a cloud-based, tablet and desktop software solution that provides commercial building energy audits while preserving the data to facilitate reporting, portfolio-wide tracking and reuse. While this is the one section of the business that is not producing positive revenues, concept3D has been working with the National Renewable Energy Laboratory to provide a commercial product in the simuwatt Energy Auditor.

The business perspective and client list, certainly have rapidly expanded from what might have been more simple aspirations 10 years ago, Davis said.

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Hotel occupancy surges on U.S. 36 Highway corridor

What follows is a compilation of recent news reported online by BizWest.com. Find the full stories using the search window at the top of the homepage.

Lodgers along the U.S. Highway 36 corridor recorded an 81.1 percent occupancy rate during May, producing the best performance among cities and areas in Northern Colorado and the Boulder Valley tracked by the Colorado Hotel and Lodging Association. The association's monthly Rocky Mountain Lodging Report revealed occupancy rates in May of 74.2 percent in Loveland, 72.5 percent in Boulder, 69.8 percent in Greeley, 66.3 percent in Fort Collins and 50.2 percent in Estes Park. The report does not include figures for Longmont.

Posted June 21.

Officials mark substantial completion of express lanes

BOULDER — Representatives of the Colorado Department of Transportation's first public-private partnership project gathered at the Davidson Mesa scenic overlook on June 13 to celebrate the substantial completion of the nearly \$500 million express-lanes project along U.S. Highway 36 between Boulder and Denver. The project includes a tolled

NEWS DIGEST

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express lane in each direction on U.S. 36, in addition to the two free general-purpose lanes.

Posted June 13.

Clovis Oncology files \$200M shelf registration

BOULDER – Biopharmaceutical company Clovis Oncology Inc. (Nasdaq: CLVS) filed a shelf registration for up to \$200 million worth of securities, replacing a similar registration from 2013 that is expiring. The filing gives the Boulder-based company the flexibility to conduct an offering more quickly at some point in the future if Clovis were to need cash or market conditions became favorable for an offering.

Posted June 10.

Snow-sports trade group picks Utah over Boulder

Boulder and Denver have lost out

to Park City, Utah, in their bid to host the headquarters of the nonprofit SnowSports Industries America trade group. SIA announced that the decision came after a unanimous vote by SIA's board of directors in May as well as approval from the Utah Governor's Office of Economic Development for a "post-performance Industrial Assistance Fund" grant to SIA "not to exceed \$100,000." Colorado's Economic Development Commission had voted in January to offer SIA a performance-based incentive of \$445,000 based on the creation of 29 full-time jobs.

Posted June 9.

Phase 1 renovation completed at Boulderado

BOULDER — Concept Restaurants Inc., the Boulder-based owner and operator of the Hotel Boulderado, is wrapping up the first of two phases to renovate the iconic hotel at 2113 13th St. in downtown Boulder. The first phase included work on 114 of the 160 guest rooms, 10,000 square feet of meeting and event space, and the outdoor plaza. The next phase of the renovation focuses on the mezzanine and lobby in the historic section of the hotel, which opened in 1909, and is expected to begin in early 2017. The price tag for both phases of the

renovation is \$7 million.

Posted June 9.

RGS Energy discloses plan for stock offering

LOUISVILLE — Solar-panel installer Real Goods Solar Inc., doing business as RGS Energy, saw its share price dip more than 15 percent Thursday following the announcement that the Louisville company is planning a new public offering of common stock and warrants in an attempt to raise up to \$10 million.

Posted June 9.

Boulder, Xcel seek municipalization settlement

BOULDER — Representatives from the city of Boulder and Xcel Energy say they are engaged in negotiations about a possible settlement to the ongoing litigation over the city's efforts to acquire the Xcel property needed to operate its own electric utility. The announcement was issued jointly by the city and the utility. According to the joint statement, a settlement, if reached, apparently would scrap Boulder's voter-approved plan for municipalization, allowing Xcel to continue to provide electric service to customers within Boulder city limits.

Posted June 8.



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BW FORT COLLINS BIZ



COURTESY K&C PROPERTIES LLC

Kumiko and Craig McKee cut a ribbon during a groundbreaking ceremony June 16 for Visions, a 12,200-square-foot building that will house the couple's businesses, Concrete Visions LLC, 3 Square Art and McKeesport Distillery & Brewing Co., on land in Larimer County at the northeast edge of Fort Collins.

Arts among couple's Visions

By Doug Storum

dstorum@bizwestmedia.com

FORT COLLINS — Craig and Kumiko McKee have broken ground on a 12,200-square-foot building at the outskirts of Fort Collins that they hope will be the catalyst for a future arts district.

The \$1.65 million project, called Visions, will be constructed at 2415 Donella Court off South Timberline Road in the Summit View Industrial Park, northeast of Fort Collins' city limits in Larimer County.

McKee and his wife, Kumiko, are using the entity K&C Properties LLC to develop the 1.6 acres of land they own adjacent to the former Downtown Fort Collins Airport.

Excavation of the property began June 20 and general contractor Sean Rogers of Hillside Construction in Fort Collins expects the project will be completed by the end of this year.

The building will serve as the headquarters for the McKees' existing business, Concrete-Visions LLC, which manufactures custom concrete countertops and decorative cast items, as well as two new businesses they are launching: 3 Square Art, that will consist of an arts center, gallery and leasable studio space, plus McKeesport

"We hope to bring creative energy with great food, drink and fun at the edge of the brewing district area."

Craig McKee, Developer

Distilling & Brewing Co., where he will make whiskey and run a restaurant. The building will have leasable space for "creative businesses," Craig McKee said.

"We want to identify this area as an arts zone," he said. "It seems that Fort Collins has been losing some of its arts spaces."

The McKees want to brand the area as FAAD, which he said stands for Fort Collins Airport Arts District.

"We'd like to work with the economic development groups in the future," he said. "We hope to bring creative energy with great food, drink and fun at the edge of the brewing district area."

McKee said 3 Square Art will consist of studio space for artists, a gallery for local artists to show their work plus provide space for out-of-state juried art shows, and seminars and work-

shops on the arts. It will be managed by Kumiko McKee, who is an award-winning artist.

The distillery is named for McKeesport, Pa., a town with a population of about 20,000 at the confluence of the Monongahela and Youghiogheny rivers and is part of the Pittsburgh metropolitan area. "It's a family heritage thing," McKee said.

The restaurant will serve a variety of international fare from "Asia to Europe, stuff that pairs well with whiskey," he said.

Concrete-Visions will move from 517 N. Link Lane sometime in 2017 when the project is completed. McKee said Concrete-Visions will occupy 4,750 square feet of the building. About 2,350 square feet will be occupied by 3 Square Art, and the distillery and restaurant will take up about 2,300 square feet.

About 2,800 square feet will be available for leasing.

The building is being designed by VFLA of Fort Collins. Ripley Design in Fort Collins is handling the landscape design. Financing for the project is through Bank of Colorado.

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

NEWS&NOTES

Creative District gains state certification

Colorado Creative Industries, a division of the state's Office of Economic Development and International Trade, announced the certification of the Fort Collins Creative District into the Colorado Creative Districts program. The Fort Collins district is one of six new members of the program, joining 12 existing Colorado Creative Districts, including the Greeley Creative District and the Longmont Arts and Entertainment District. The Fort Collins Creative District essentially encompasses the city's historic downtown area — stretching north to the Poudre River, east to Library Park, west to the Lincoln Center and as far south as the new Music District being created by the Bohemian Foundation.

Methane-emissions test site to be built at CSU

A facility for testing new technologies for detecting methane emissions at oil and gas extraction sites will be built this fall on Colorado State University property somewhere in the Fort Collins area. A team of CSU researchers won the \$3.5 million, three-year federal grant to create and operate the national facility, the school and the Department of Energy announced on Friday. The money comes from the department's Advanced Research Projects Agency—Energy, or ARPA-E. All the teams doing research at the site, including CSU's, will be funded under the ARPA-E MONITOR (Methane Observation Networks with Innovative Technology to Obtain Reductions) program. The facility will simulate a broad range of natural-gas production systems for testing technologies in real-world industry conditions. It will allow research teams from across the nation to test new technologies for enhanced sensing of methane, a potent greenhouse gas. The site will be located completely outside oil and gas basins, to allow for near-complete control of background and onsite emissions. But exactly where the facility will be built is yet to be determined.

Harmony Surgery Center CEO to head national trade group

Rebecca Craig, chief executive of the Harmony Surgery Center in Fort Collins, has been elected to a two-year term as president of the board of directors of the Ambulatory Surgery Center Association and the Ambulatory Surgery Center Association Foundation, a national association based in Alexandria, Va. The association and its foundation advocate and provide resources for ambulatory surgery centers nationwide. Craig has served on the ASCA board of directors since 2011 and is a past president and active member of the Colorado Ambulatory Surgery Center Association's board of directors. Craig helped open Harmony Surgery Center 16 years ago. During the past six years, Craig has assisted in developing and opening other surgery centers in Colorado.

City looks ahead to nurture area's economic health

The city of Fort Collins has a strategy when it comes to economic development: We start by calling it “economic health” as a way to promote a healthy, sustainable economy reflecting community values. When it comes to supporting the workforce and employers, the objective for the city is to support overall long-term vitality in the community that emphasizes the triple-bottom-line focus rather than short-term or individualized gain.

The guidance for the city's Economic Health Office comes from the Fort Collins Strategic Plan, which was just updated in 2016. Four key objectives are tied to the “Economic Health” strategic outcome in that plan:

- Improve effectiveness of economic health initiatives through collaboration with regional partners;
- Enhance employment opportunities through business retention, expansion, incubation and attraction;
- Support workforce development and provide community amenities that support citizens and employers within the city; and
- Provide transparent, predictable and efficient processes for citizens and businesses interacting with the city.

In the Economic Health Office, the Economic Health Strategic Plan reiterates those objectives by focusing on five key areas: Community Prosperity, Grown Our Own, Place Matters, The Climate Economy and Think Regionally. Our aim is to be in a supporting role, ensuring that community infrastructure is in place to assist residents with finding employment at all wage levels and to help businesses get started and stay or expand in the community.

As part of those goals, the city's Economic Health Office is a key player in building sector partnerships — an industry-led effort to define common opportunities and challenges, and connect businesses with workforce, education and economic-development partners to create solutions. More specifically, the city organization has assisted with the NoCo Health Sector and the NoCo Manufacturing Partnership — two highly successful, regional industry partnerships that have grown out of industry demand and willingness to collaborate.

By supporting these industry clus-

ters and partnerships, we are fostering collaboration among academia such as Colorado State University and Front Range Community College, the private sector, the public sector and nonprofit organizations to promote an entrepreneurial culture. Between 2014 and 2016, the city, through its Cluster Funding Allocation, has provided a total of \$555,000 to industry clusters in Fort Collins in the following areas: Creative Sector, Clean Energy, Bioscience, Entrepreneurship and Innovation, Water Tech, Manufacturing Sector, Local Food and Health Sector. But we cannot do this alone; demand continues to grow with more than \$1.3 million in requests over that time period. The funds are intended to assist clusters and regional sectors that advance the economic vitality of our community.

This spring, the city participated in the NoCo Manufacturing Partnership manufacturing trade summit, NOCOM, at The Ranch in Loveland. The trade show is held annually by manufacturers for manufacturers with an estimated 800 attendees. Fort Collins was a sponsor of the Women in Manufacturing luncheon at that event, which brought together women in manufacturing and students from Poudre and Thompson school districts to network with about 75 attendees.

In 2014, our office also completed a labor force study for Larimer County that identified the labor market, the drivers for the demand, occupational strengths and education and training landscape. The city currently is working collaboratively with the Fort Collins Area Chamber of Commerce, city of Loveland, Loveland Chamber of Commerce, Larimer County, Northern Colorado Economic Alliance and United Way of Larimer County on Talent 2.0, an update to the labor force study completed in 2014. Talent 2.0 will not only update the information from 2014 but will provide an inventory of current programs and activities around workforce development, best practices and opportunities and gaps. From this, we will develop an action plan on implementation and performance metrics to track progress and impact.

In addition to working externally with partners, the Economic Health Office also works internally to integrate economic health initiatives and to help business partners with navigation through the municipal organization. Our staff is available to assist, or please feel free to reach out to me at jbirks@fcgov.com.

Josh Birks is the director of the Economic Health Office for the city of Fort Collins.



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Extraordinary Happens Here

Wiland Inc. raises \$30.6M to buy back company stock

By Doug Storum

dstorum@bizwestmedia.com

LONGMONT — Niwot-based Wiland Inc., a direct-marketing and data-service company that serves the retail industry, has raised \$30.6 million through a securities offering that will be used to buy back company stock.

Wiland Inc., headed by chairman and president Phil Wiland, will use a portion of the proceeds to repurchase up to \$20 million worth of common stock from shareholders. Of that amount, approximately \$4.7 million will fund the repurchase of common stock owned by the company's officers and directors, said Mike Gaffney, Wiland's chief financial officer.

Gaffney said the capital raised, representing about 14 percent of the company's worth, came from the investment of one entity that he declined to identify.

"We've had a lot of individual shareholders over the years who have trusted the company. ... We thought it is time to have a liquidity event and repay some of those shareholders through this tender offer," Gaffney said.

The company uses homegrown software for a transactional database and predictive modeling platform to identify consumer audiences for clients' and has been on a sharp growth curve.

Wiland Inc. announced last year that it plans to construct a 90,000-square-foot headquarters in the Clover Basin Business Park in southwest Longmont. Phil Wiland said then that he wanted to have it built by 2017 when the lease expires on the 48,000 square feet it occupies in a building at 6309 Monarch Park Place



JOSHUA LINDENSTEIN/BIZWEST

Wiland Inc. occupies this building in Niwot but is planning to build a 90,000-square-foot headquarters in the Clover Basin Business Park in southwest Longmont.

in Niwot.

Wiland expected the cost of the project would be about \$13.5 million. But Gaffney said increasing construction costs could raise that amount, and the company is revising design plans for the building to lower costs.

In May 2015, the city of Longmont approved an incentive package for Wiland that consists of rebates for development fees and taxes that are estimated to be \$260,428, according to city documents. Total fees and taxes associated with the project are estimated to be \$886,600. The rebate is contingent upon Wiland moving at least 143 of its 154 employees into the building by May 2017 and maintaining that number for at least three years. Gaffney said that timeline likely will be pushed to later in 2017.

Another stipulation is that those



PHILIP WILAND

Wiland Inc.

6309 Monarch Place

Niwot, Colo.

303-485-8686

Philip Wiland, founder, chairman, president

Founded: 2005

Employees: 154

Primary service: Direct marketing and data services.

Clients: 2,500

employees receive at least 105 percent of the Boulder County average annual wage of \$57,000. If those numbers are not maintained, Wiland Inc. would be required to repay a portion of the rebate based on how many employees it has at the time.

Gaffney told the city last year he expects that the company will employ about 170 people within the first year of the operation of the new building.

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

NEWS&NOTES

Sam's Club set to open June 30

Sam's Club is set to open June 30 at the Village at the Peaks shopping center in Longmont, a company spokeswoman said. Sam's Club's 136,085-square-foot membership discount store is one of three anchors at the new open-air concept shopping center at 1200 Hover St. being developed by NewMark Merrill Mountain States. The shopping center is replacing the former Twin Peaks Mall. Sam's Club is owned by Wal-Mart Stores Inc. Of the other two anchors, the 40,600-square-foot Regal Cinemas was the first to open last year, but the opening of the 40,600-square-foot Whole Foods grocery store has been put on hold until December.

Breakout Escape Room to open next month

The surge of escape rooms — entertainment venues at which paying customers are locked in and must connect clues to get out — is reaching Longmont. Breakout Escape Room will open July 1 at 840 23rd Ave., site of a former Bank of the West. Escape rooms in Boulder, Fort Collins and Loveland have opened in recent years.

Higher rent, construction cause Serendipity to close

A pending rent increase for Serendipity's downtown Longmont space and ongoing construction in the area are causing the consignment shop to go out of business. The shop's owner, Vicky Boone, plans to close at the end of the month. Serendipity joins multiple other businesses that have blamed their closures in on construction at the south end of downtown that have caused sidewalk closures and parking issues in spots.

Entertainment center to open in former Office Depot space

One of two anchor sites that went vacant at the Village at Burlington shopping center in Longmont last year is about to see new life. Evergreen-based The Wild Game has leased the 28,289-square-foot former Office Depot site at 2251 Ken Pratt Blvd. where it plans an entertainment center similar to its one in Evergreen, which includes bowling, a bar, arcade and live music space. The Wild Game is slated to open in the fall.

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Longmont builds solid foundation for startups

The city of Longmont, like many cities throughout the world, actively pursues innovation and entrepreneurial development as a strategy for economic development. The difference in Longmont, though, is that the community has spent decades building an environment that today offers all of the assets and amenities necessary to support a thriving 21st-century startup community.

Support for Longmont's startup community starts with the real innovative and entrepreneurial talent that is being cultivated in the St. Vrain Valley School District and through the programs offered here by the Boulder County campus of Front Range Community College. The innovative programming in the classrooms of both is focused on meeting the challenges of this millennium by delivering a quality education that bridges the gaps for our future workforce, and ultimately helps to create long-term sustainable economic growth.

What does this look like in the classroom? It looks like K-12 students across the St. Vrain

Valley School District preparing for successful STEM careers by partnering with industry to provide real-world work experiences, learning from experts in their fields to build websites, apps for a variety of mobile platforms, electronics, circuitry, robotics, biomedical, aerospace, environmental and structural and mechanical engineering projects. It looks like local industry collaborating with higher education through Front Range Community College to design and implement programs to help fill skills gaps in fields that range from machining to web design to craft brewing.

In addition to talent, Longmont has a history of investing in the real infrastructure needed to support innovation and entrepreneurship at every level. The prioritization of creating and maintaining a modern infrastructure is crucial to any city's capacity for economic growth. Innovative infrastructure investments, such as Longmont's buildout of the NextLight gigabit fiber optic network, support innovation by laying the foundation for entrepreneurs to thrive and grow. It allows for affordable and reliable utilities to offer

businesses cost savings, better connectivity and increased productivity. Longmont's infrastructure investments have always focused — and continue to focus — on what will be, encouraging forward movement by its citizens and the businesses that start and grow in the community.

Longmont fuels innovation in the community by supporting a network of creators, makers and entrepreneurs through the support of our local makerspace, TinkerMill, Startup Longmont, the NewTech Meetup group and the annual Longmont Startup Week, as well as the Longmont Community Foundation's Ignite! grant fund that puts early-stage capital behind the ideas of Longmont entrepreneurs. Innovation is fueled at the TinkerMill by making equipment such as 3-D printers, laser cutters and tools available to the creators and makers in a community, as well as providing access to people who can support and teach others on how to operate, innovate and create with this equipment. Startup Longmont fuels innovation by creating a culture of collaboration in the community amongst

makers, designers, creators, and entrepreneurs. The Longmont Community Foundation and Longmont Economic Development Partnership further fuel innovation by putting needed fund-

ing into ideas at a very early stage through the Ignite! grant and matching grant programs, helping to bring visions of new products to fruition.

Longmont supports innovation as an economic development strategy because technological advances and innovations can change the way you think about city life, workforce mobility, energy efficiency, and even fitness and sociological concerns. Innovation encourages education, leads to higher productivity, and inspires entrepreneurship, which in turn creates new businesses and new jobs, and intensifies competition. Innovation is a driver of growth and opportunity in any community. As a result of Longmont's support for innovation and entrepreneurship, the city now boasts a wealth of inventors, entrepreneurs, researchers and innovation assets, has become an ideal home for startups at all stages of development, and is starting to be recognized as a 21st century center for innovation, a true startup community.

Jessica Erickson is president of the Longmont Economic Development Partnership.



LONGMONT VOICE
JESSICA ERICKSON

Longmont has a history of investing in the real infrastructure needed to support innovation and entrepreneurship at every level.



THANK YOU!

LONGMONT STARTUP WEEK 2016 is over! Our 2nd annual event was a great success due the combined efforts of our volunteers, speakers, sponsors, partners, and venues.

Special thanks to our After Hours hosts: Prospect Sound Bites • 300 Suns Brewing Samples World Bistro • The Roost Wibby Brewing • Rockmont Fest and most importantly, our ATTENDEES!

We hope that you found something to help your business grow and succeed. We also hope you got a taste of what an incredible community Longmont is! If you don't live here or have your business here, you should consider it. If you do, be proud!

WE'LL SEE YOU NEXT YEAR!

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A FASTER COMMUTE

New regional bus services lure riders with comfort, reliability, amenities



JOEL BLOCKER / FOR BIZWEST

A southbound Bustang, Colorado's newest interregional bus line, leaves the Harmony Road Transportation Transfer Center south of Fort Collins.

By Dallas Heltzell
dheltzell@bizwestmedia.com

More long-distance commuters along the northern Front Range are getting taken for a ride — and they seem to like it.

New or refurbished bus routes connecting Fort Collins and Loveland with Longmont, Boulder and Denver are attracting a steady stream of workers and students with perks such as low fares, frequent service and a promise of mobile productivity with Wi-Fi and charging outlets.

Transit managers for the regional routes — FLEX, Bustang and the Flatiron Flyer — say even more service may be on the way, and Greeley commuters could see regional connections in the foreseeable future as well.

FLEX connects FoCo, Boulder

Perhaps the biggest bargain on the road is the newly extended FLEX service run by Transfort, the city of Fort Collins' transportation system. On Jan. 18, its regional service connecting Fort Collins with Loveland, Berthoud and Longmont added five runs a day to and from Boulder.

Previously, those wishing to travel by public transit between the two colleges and their home cities had to ride both FLEX and the Regional Transportation District's "Bolt" route, paying full fares that totaled \$5.75 and enduring numerous local stops along the way and often lengthy waits at one of two transfer points in Longmont

that pushed the total trip well past two hours.

The newly extended direct FLEX route, with its limited stops, promises a connection between Colorado State University and the University of Colorado in about an hour and a half — for a full fare of just \$1.25. Seniors, the disabled and pass holders pay half that, and CU and CSU students and faculty ride free with their ID cards.

Transfort's latest figures show a \$5.61 operating expense per passenger, only 4.1 percent of which — about 23 cents — is recovered through fares.

"Keeping low fares is a conscious decision," said Timothy Wilder, Transfort's service development manager. "We wanted to let it be successful without fares being an obstacle. We were fortunate to get a grant, and we wanted to be consistent with Transfort's city fares as well. Our priority has been toward ridership over fare recapture.

"Occasionally, there's criticism but I think it's a balance on how we do it. Occasionally we get a comment that we need to raise the fares, but I think now we're in a nice position where we don't have to."

About \$1.15 million in funding

was approved by the Denver Regional Council of Governments for the extended service. The cities of Boulder, Longmont, Loveland and Fort Collins, CU, CSU and RTD are chipping in a total of \$289,000 over three years to match the DRCOG grant.

"We've had strong ridership on that route," Wilder said. "It's been well-received by the public, and ridership is about the level we anticipated. People are excited because it's limited service — employees as well as students. What we've seen is that the ridership is diverse.

"And it'll get even better. As you get new students coming to the schools and learning about the service, we'll see more ridership."

FLEX's extended route is averaging 87 northbound and 80 southbound boardings. For all FLEX trips, including the majority that go only as far as Loveland or Longmont, the system averages 322 northbound and 326 southbound riders a day.

Passengers also are requesting more service, Wilder said.

"It's hard to pin down exact times people want. They want to see hourly service. Some want it on weekends. Sometimes, we get requests for trips later in the evening as well. For a lot of

people, it's the last trip that matters. They want to have assurance that there's another bus later if they miss that one.

"There's great potential to grow over time, but it would require additional funding," Wilder said. "What we want to do is establish the route first, and then the partners could talk about adding trips. Heck, we're still trying to achieve Sunday service in Fort Collins. That tends to be our top request. We do have a budget request for Sunday service to start next year, but that hasn't been decided yet. It's gone through the budgeting process, but it hasn't gone to council yet. They'll probably make a decision around November."

Bustang links FoCo to Denver

The Colorado Department of Transportation launched its Bustang express service a year ago, with routes from Denver's Union Station extending north to Loveland and Fort Collins as well as south to Colorado Springs and west to Frisco and Glenwood Springs. Bustang's black-and-purple 50-passenger buses are packed with amenities, including Wi-Fi, electrical outlets, USB ports, bathrooms and bicycle racks.

"With everything that I've heard, the north line has gone very well," said Bob Wilson, CDOT communications manager. "It's very promising that that line has continued to increase in ridership every day since it started on July 13th."

Passengers pay \$10 to make the trip,

If you ride

FLEX: ridetransfort.com/flex

Bustang: codot.gov/travel/bustang

Flatiron Flyer: rtd-denver.com/flatiron-flyer.shtml

and can connect at Union Station to the other Bustang routes, as well as to Denver city buses, RTD regional routes, light rail lines and the new University of Colorado A Line commuter rail link to Denver International Airport.

Bustang also offers a RamsRoute that provides service from Fort Collins to Denver on Friday afternoons with a return to Fort Collins on Sunday afternoons.

“We don’t have numbers of how many people transfer from the north line to the west and south lines, but we do see some of that,” Wilson said. “The north to west line transfer is higher during summer for recreational traffic. We see some go south as well — CSU students, for instance.”

The north line has a 38 percent fare box recovery, Wilson said, compared with an industry average for regional routes of 25 percent to 30 percent. Daily ridership averaged 113 per day when the line made its debut, and has increased to 199 per day.

CDOT’s corral of 13 Bustangs was bought for \$7.3 million from the Funding Advancements for Surface Transportation and Economic Recovery (FASTER) Act of 2009, which raised vehicle registration fees and fines to generate about \$200 million a year for state transportation projects. About \$15 million a year of that is dedicated to transit projects, and the Bustangs are being paid for with that money. CDOT hired Horizon Coach Lines to operate the buses for about \$2 million a year. Bustang’s approved budget through FASTER for Fiscal 2017, which begins July 1, is \$3 million.

That funding survived a scare in February, when Senate Bill 16-011, sponsored by state Sen. Tim Neville, R-Littleton, would have redirected \$15 million in gasoline-tax revenues within the FASTER program to transportation safety programs, a move that CDOT officials said would have killed Bustang.

Connections to Greeley?

Wilson said CDOT is studying a Bustang expansion to Greeley, and that service could be launched “within the next couple of years.”

Will Jones, manager of Greeley Evans Transit, said his agency hasn’t been approached by CDOT about that service but noted that a “U.S. 34 Express” route in April 2010 had been canceled because of low ridership.

However, he added, the Front Range Metropolitan Planning Organization has a Regional Transit Element “action item” that calls for a study of a route between Greeley and Fort Collins that would travel through Windsor.

“We’re actually in the process of gathering information on that,” he said. Larger employers including CSU, the University of Northern Colorado and Aims Community College are being surveyed, he said, “to identify what cities their faculty and students reside in. What is their home city? Roughly speaking, we think about 2,200-ish people making that commute every day. So we’re sending out a survey in the fall to see what the



JONATHAN CASTNER FOR BIZWEST

Riders board a northbound FLEX regional bus at a park-and-ride in Longmont. Full fare to Fort Collins is \$1.25.



JONATHAN CASTNER FOR BIZWEST

A Flatiron Flyer leaves the Boulder Junction at Depot Square station, headed for Union Station in Denver.

demand is.”

Jones described what they’ve discovered so far about commuting patterns from Windsor as “a pretty good split.” About 710 people commute to CSU from Windsor or Greeley each day, he said, while about 1,520 travel from Windsor to UNC or Aims.

“It’s just a study; there’s obviously not wheels turning yet,” Jones said, “but the Regional Transit Element requested the study,” and a public meeting scheduled from 4:30 to 6:30 p.m. Wednesday, June 29, at the Greeley Recreation Center is likely to include the topic.

Flatiron Flyer: Off to Denver

Blue and orange 57-passenger Flatiron Flyer buses replaced several RTD regional routes between Boulder and Denver in January, offering 120-volt outlets and USB ports for charging lap-

tops, tablets and smartphones, reclining seats, footrests, overhead reading lights, individual air vents and room to carry up to eight bicycles — “which is more than our old buses used to,” said Nate Currey, RTD’s senior manager of public relations.

Fifty-nine Flatiron Flyer buses travel along U.S. 36 and connecting roads on six “FF” routes. During peak hours and depending on a station’s location, riders can expect a bus to arrive every four to 15 minutes.

“Particularly that headway of the 15-minute frequency is the real game changer for the U.S. 36 corridor,” Currey said. Commuters “don’t have to worry about when the next bus is coming — just like the shuttles on the 16th Street Mall in downtown Denver; there’s always another one.

“We see that across the nation,” he said. “Once you hit a certain threshold

of service, it’s more reliable, and ridership goes up. Our numbers are up over the old lines on all the FF routes.”

Flatiron Flyer routes in April averaged 14,814 riders on weekdays, 5,869 on Saturdays and 2,094 on Sundays, said Scott Reed, RTD’s assistant general manager for communications.

All stations along the route eventually will have upgraded shelters, digital displays and self-service ticket-vending machines.

“There’s still a couple things we’re going to be finishing up,” Currey said. “We’ll have all the ticketing machines and electronic signage up by August. That’ll really allow for much more speedy and efficient boarding. That’s an important component of any transit service.”

Also on RTD’s agenda is to get riders used to catching the Flatiron Flyer at the new Boulder Junction at Depot Square station in east Boulder.

“Any new facility like that, it takes people a while to get used to the routine,” he said. “It’s a beautiful facility, but it’s a little bit hidden. Word of mouth is the best bet for us. It’s the best-kept secret we’ve got in the FasTracks program.”

The Flatiron Flyer service is part of RTD’s 2004 voter-approved FasTracks transit expansion program to build 122 miles of commuter rail and light rail, 18 miles of bus rapid transit service, add 21,000 new parking spaces, redevelop Denver Union Station and redirect bus service to better connect the eight-county district. FasTracks originally envisioned commuter rail instead of buses along the U.S. 36 corridor and through Boulder to Longmont, but a recession and increased costs of right-of-way along Burlington Northern Santa Fe railroad tracks have stalled that project indefinitely.

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

Broomfield hospital to drive development

Medical projects expected to follow UCHealth facility

By Joshua Lindenstein

jllindenstein@bizwestmedia.com

BROOMFIELD—The closed blinds in patient rooms obstructed the sunny mountain views from the second floor of UCHealth's new Broomfield hospital on Tuesday. It's not that anyone was objecting to the light, but rather part of a tornado drill during which beds are also wheeled into the hallways.

The exercise was just one of many drills and orientation activities that employees have gone through in recent weeks as the new 22-bed facility, dubbed simply UCHealth Broomfield Hospital, gets set to open. Pending final approvals from the Colorado Department of Public Health and Environment, UCHealth officials are hoping to open the hospital at 11820 Destination Drive by the end of this month, though they don't have a specific day etched in stone yet.

The 80,000-square-foot hospital, a partnership between UCHealth and Texas-based Adeptus Health, will employ roughly 150 people.

"Everybody here has worked at other hospitals," Derek Rushing, CEO of the hospital, said in an interview. "But not everybody has gotten this opportunity to open something on Day 1. We've got an opportunity to make this hospital our own."

The facility's opening is being anticipated not only by UCHealth as the health-care system's only hospital along the booming U.S. 36 corridor, but also by Broomfield officials and developers of the Arista development, of which the new hospital is a part.

"We know we're definitely looking forward to them being part of the Aris-



JOSHUA LINDENSTEIN/BIZWEST

UCHealth Broomfield Hospital, 11820 Destination Drive, is slated to open by the end of this month pending state approvals.

ta community and the spinoff development that will happen because of that," Broomfield economic development director Bo Martinez said, noting that the city doesn't have any specific projections for the number of indirect jobs the hospital might support.

Joe Zepeda, senior project manager for Arista developer Wiens Capital Management, said the hospital is definitely causing other businesses to take a look at locating in Arista. He said he fully anticipates the hospital to attract ancillary medical users, or even a medical office building, in Arista as the hospital establishes its presence. But more immediately, he's interested to see the boost the hospital gives to the retail aspects of Arista. On the 18-acre site just to the west of the hospital, at the southeast corner of Wadsworth Boulevard and 120th Ave., Wiens is planning 30,000 square feet of retail space and 20,000 square feet of professional office space that the company is hoping to break ground on early next year.

"I think the hospital and future things that come around the hospital will certainly help us as we start leasing up the commercial retail side of

the development," Zepeda said.

While UCHealth Broomfield Hospital is opening with only 22 licensed inpatient beds, a finished third floor provides room to more than double to 50 licensed beds as demand warrants.

"We have the ability to grow into that pretty quickly if we need it," Rushing said.

In addition to the 18 medical-surgical rooms and four intensive care unit rooms, the new hospital will include three operating rooms, a 24-hour emergency room, a full imaging suite including a CT scanner and digital x-ray, a lab and cafeteria.

The hospital likely serves as a sneak preview of the hospitals UCHealth has in the pipeline in Longmont and Greeley, albeit on a smaller scale than those two. The lobby resembles something one might encounter upon entering a nice hotel, while details in the inpatient rooms like stone-tiled walls and showers in the bathrooms help provide a more at-home feel.

A "diet ambassador" will visit inpatient rooms personally each day to visit with patients about their diet needs and take orders for their meals, the type of detail not always possible at larger facilities, Rushing said.

"It becomes much more of a personalized health-care experience for folks," Rushing said.

Rushing said UCHealth's new hospitals are going up in areas where the health system already has sizable numbers of patients visiting its clinics and other facilities. He said he expects the service area for the Broomfield hospital — the city's first — to span the entire Denver-Boulder 36 corridor. The hospital will employ a wide range of specialists. It will partner with physicians not only from the University of Colorado medical school and other UCHealth practitioners but also other physicians and specialists from the community who wish to practice at the site.

Rushing, meanwhile, will serve double duty. A 20-plus-year veteran of hospital administration who previously served as vice president of operations for University of Colorado Hospital and most recently in more of a community development role for the UCHealth system, Rushing is also serving as CEO of UCHealth's Grandview Hospital in Colorado Springs that is being built in conjunction with Adeptus and is slated for opening sometime in the fall.



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Region at a glance

A snapshot of how average sale prices have moved up in each submarket between May 2015 and May 2016.

| Sub-Market | Avg. Price - May 2015 | Avg. Price - May 2016 | % Change |
|---|-----------------------|-----------------------|--------------|
| FC/Timnath/Wellington | \$341,282 | \$373,626 | 9.47 |
| Greeley/Evans | \$225,430 | \$267,617 | 18.71 |
| Loveland/Berthoud | \$304,274 | \$357,492 | 17.49 |
| Windsor/Severance | \$363,231 | \$408,944 | 12.58 |
| Estes Park | \$327,306 | \$401,485 | 22.66 |
| Ault/Eaton/Johnstown/Kersey/ LaSalle/Mead/Milliken | \$297,064 | \$319,311 | 7.49 |
| Longmont (Weld and Boulder) | \$331,770 | \$386,903 | 16.62 |
| Total | \$307,791 | \$349,341 | 13.49 |

Larry Kendall

Economy booms, supply drops, prices soar

In a regional real estate market that physically spans more territory than the state of Connecticut, you might assume there is one town where houses still are in ample supply, where demand is moderate or where prices aren't soaring.

Not so in Northern Colorado.

During May, each of the region's seven submarkets reported a significant increase in average sale prices from May 2015.

At the same time, supply was down in all but one submarket (Windsor-Severance), while demand — reflected by the number of sales — was up across the board. Wherever you look across the northern Front Range, the real estate market is uniformly vigorous as we enter the summer months.

Here are some additional observations from the May results:

- If there's a surprise to report, you'll find it in the Greeley/Evans area. Considering the decline in the energy industry over the past two years and the expected consequences for the Weld County economy, housing seems unaffected. Home sales are up 12.5 percent, and average prices were up an astounding 18.7 percent.

- Overall home sales across the region were up 7 percent in May compared with May 2015. At the same time, housing inventory was down 17.4 percent from the previous May.

- With 677 new home sales through the first five months of the year, Weld County is outpacing Larimer County (602) by 12.4 percent. But the average price of new home sales in Larimer County (\$433,721) is more than \$100,000 higher than in Weld (\$331,484)!

- Regionwide, home sales totaled 1,232. While up from last May, it's still slightly behind the 1,243 sold in May 2014. Average prices across the region reached \$349,341, a two-year increase of 20.8 percent.

Sub-market highlights:

Fort Collins/Wellington/Timnath: Home sales were up 13.3 percent over May 2015, but were still down 11.3 percent from May 2014. Total inventory continued to shrink, dwindling to 398 last month compared with 503 in May 2015 and 547 in May 2014.

Greeley/Evans: At \$267,617, average sale prices are up 40 percent from May 2014, the largest two-year increase for all submarkets across Northern Colorado. Growth in home sales, at the same time, is up 26.1 percent — also the largest two-year jump in the region.

Loveland/Berthoud: Inventory slipped to 234 homes last month, down 13.3 percent from the year before and a striking 35.1 percent from May 2014. With that squeeze on availability, it's no surprise that average prices were up 17.4 percent, almost twice the rate of the neighboring Fort Collins sub-market.

Windsor/Severance: The Windsor area was the only submarket to witness an increase in inventory, with availability up 8.8 percent. Still, prices here moved solidly beyond the \$400,000 threshold, with an average of \$408,044 in May after hitting \$406,814 in April.

Estes Park: Estes Park suffered the largest decline in inventory, down 35.7 percent from last May. Accordingly, prices jumped the highest among all submarkets to \$401,485.

Ault/Eaton/Johnstown/Kersey/LaSalle/Mead/Milliken: The other submarket that we expected to be stung by the energy slump also is holding up well. Average prices across these outlying Weld County towns increased 7.49 percent while total sales inched up 1.9 percent.

Longmont: Longmont is closing on the \$400,000 threshold itself. At \$386,903, average prices were up 16.62 percent from the previous May and 1.7 percent from April.

Larry Kendall co-founded associate-owned The Group Inc. Real Estate in 1976 and is creator of Ninja Selling. Contact him at 970-229-0700 or via www.thegroupinc.com.



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UPCOMING EVENTS

July 13th - Luncheon, 11:15 am

The Scheels Development at 2534 in Johnstown presented by Ryan Schaefer and Megan Baumhover, Chrisland Real Estate Company.
Ptarmigan Country Club, Fort Collins

August 3rd - Breakfast, 7:15 am

Northern Colorado Regional Airport will be the topic of discussion.
Ptarmigan Country Club, Fort Collins

Sept. 7th - Luncheon, 11:15 am

John Covert, director of Metrostudy's Colorado/New Mexico region, will discuss trends in the local economy and their effect on the real estate market.

Ptarmigan Country Club, Fort Collins

crewnortherncolorado.com

Executive Forum

Becoming a digital enterprise

By Matt Kenney, ERP Advisor, NetSuite Leader
and Principal at RSM US LLP

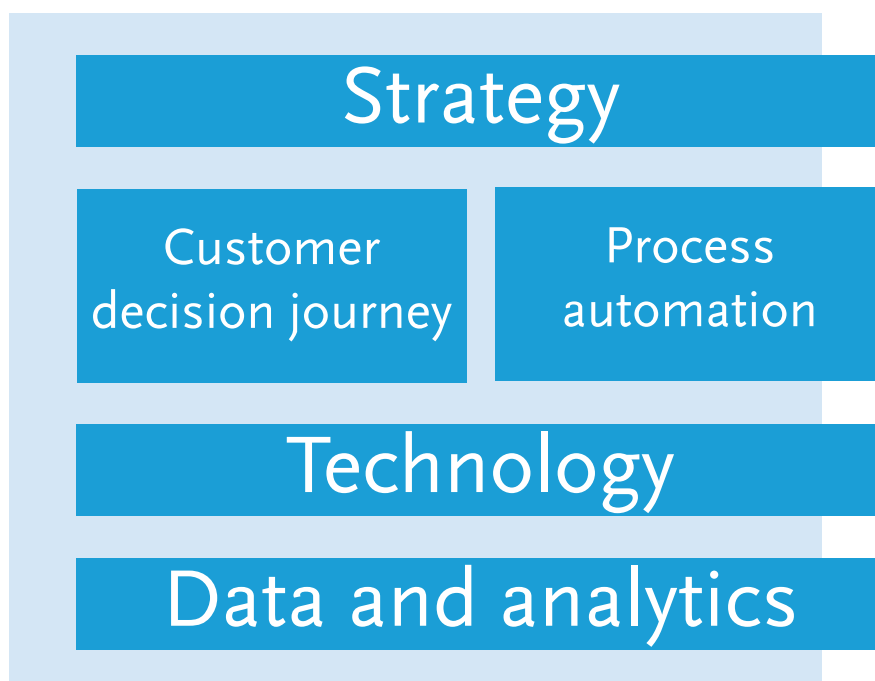
By definition, almost all companies are digital, using computers to collect and process data. However, many organizations capture data from paper, and use that information to create more paper; that scenario is not efficient or truly digital. To streamline operations and make better business decisions, organizations must take the next step to leverage electronic information across all areas of the organization.

Your company can realize significant benefits from going digital. A successful digital initiative enhances several processes, reducing paper usage and enabling your company to store, share, move and combine information much easier. Data becomes much more effective and valuable when other people become involved with it.

Companies normally equate digital investments to tasks like making website improvements or introducing mobile apps. However, by increasing efficiency in internal operations such as enterprise resource planning (ERP) or customer relationship management (CRM), the savings from going digital go directly to the bottom line. Spending on external systems may grow sales, but after delivering products and services, only a percentage of that growth is reflected in profits.

Transitioning to a digital enterprise requires a philosophy change. It is an ongoing journey, as technology evolves and allows your company to do more things digitally. For example, going digital 10 years ago meant something completely different than it does today; with almost all customers and employees using smartphones, organizations now have more sources for collecting data and constant access to information.

Your company must follow a series of steps to become digital, as seen in the graphic below:



First, you must have a clear strategy. It should identify valuable areas of the business and where processes can be improved. You should minimize time and energy spent on automating processes that only take a limited amount of time per month. Instead, identify where digitization could bring more value, and prioritize those workloads in terms of what should be evaluated at what point.

When becoming digital, your company should adopt a two-speed IT approach. Some areas of your business can be innovated very quickly, such as introducing electronic document imaging or an email marketing campaign for new customer engagement opportunities. However, more complex areas such as managing manufacturing operations or improving financial accounting compliance must proceed slower to avoid significant risks. Larger systems can't be easily replaced, so you must build around their edges to introduce more automation.

For instance, you may not be ready to move an on-premise ERP system to the cloud. However, you can implement a cloud employee expense system and integrate it with your back office platform. Some workloads can be integrated very quickly, while others carry more significant maintenance, risk and change management concerns.

Your digital strategy should also detail how to connect key processes end-to-end. Companies tend to alternate between digital and manual processes and multiple applications to accomplish a single task. To become more efficient, those processes must be integrated from start to finish. Many processes can be automated using an integration platform or similar technology.

Finally, because automation is a constant journey, the final strategy step is rebalancing. This process involves rebalancing priorities, but it also means rebalancing staff processes are automated and employees are freed up to be more strategic. Especially within your IT organization, rebalancing frees people from maintenance to increase innovation. Instead of rekeying information to another system, or constantly patching a system that could be moved to the cloud, employees can participate in higher value, more innovative activities.

After designing a strategy, your company should take the two-speed approach for the customer decision journey and process automation. The two tasks should go concurrently, but digitizing the customer decision making process can proceed faster, while internal operations process automation must be more deliberate.

With technology becoming more pervasive, you must focus on digitizing customer interactions. When a customer submits a website form, is an email only generated to someone, or is information integrated into your CRM system to create an opportunity and track activities? Is a case generated where you can follow up and the customer receives automated emails on its status? With today's innovations, you can digitize how you analyze data from customers

through dashboards and other formats.

With greater automation, customer satisfaction increases. There is a preconception that all customers want to talk to a person; however, many people simply want an answer. If they can get that digitally through your website, customers are happy, because they don't have to wait on hold to get desired information. Digitization decreases your costs to serve those customers.

In parallel to the customer decision journey, internal process automation offers significant opportunities for improvement. A successful exercise is to look at your processes with fresh eyes. Act as if you just walked into your organization, looking at your processes as a new hire. What would you change; with that new perspective, what seems strange about your processes? Think across departments to gain a complete perspective of issues and opportunities.

In many cases, the fresh eyes concept can benefit from a third party or implementing an evaluation project. It's hard to get out of your comfort zone and your background, and evaluate processes with the right amount of perspective. That's where an unbiased advisor that understands your environment could be valuable.

With a two-speed IT model, you may need to break up your IT teams. Different skillsets may be necessary, with people that can manage Web and cloud applications while others keep servers and internal infrastructure healthy. One successful strategy is dividing personnel into teams with different goals, skillsets, timelines and evaluation metrics. For example, uptime might be important for one team, but an innovative team may be performing experimental tasks where uptime is not as critical.

For your company to become digital, IT must manage remote

access and mobility, enabling employees to take work anywhere and reduce paper usage. The IT team also must work across departments; in some organizations, each department has their own IT team. That can create challenges to becoming a truly digital enterprise, because the interaction between IT departments may be on paper or through Excel spreadsheets, depending on their level of innovation.

The final step to becoming digital is determining how to manage data and analytics. Many companies accumulate data, but they don't often utilize it as a strategic asset to better serve customers. You must determine what information really matters and what is actionable. Measure what is truly important and automate that measurement.

Meaningful analysis requires identifying translators in your business who can help you understand if you are effectively measuring your key metrics. For example, an increase in Web traffic is not necessarily beneficial unless the traffic is going to the right products or services. You must understand what the numbers really mean, and whether they are good or bad.

You may think that you are a digital organization, but there is likely significant room for improvement. Becoming digital is not just about external investments; instead, the most valuable innovations are those focused on increasing internal efficiency and utilizing data that has already been gathered. A third-party assessment or software integration can help evaluate your environment and provide clarity into your digital strengths and potential opportunities.

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BW REAL DEALS



COURTESY OZ ARCHITECTURE

An architectural rendering shows the exterior of The Loading Dock. The building in Flatiron Park in Boulder is being renovated from an old warehouse and loading dock into office space.

Flatiron Park warehouse gets new life in Boulder

By Doug Storum

dstorum@bizwestmedia.com

BOULDER — Construction is under way on a 60,000-square-foot renovation of an old warehouse in Flatiron Park in east Boulder that, when completed, will house employees of Penton's New Hope Network and Sovrn Holdings, two companies already in Boulder.

The building at 5541 Central Ave., owned by Goff Capital Partners LP, will be called The Loading Dock. Designer OZ Architecture is reusing the former warehouse and a loading dock that will serve as an elevated boardwalk that connects to the indoor office.

New Hope Network, which provides services to businesses in the healthy-lifestyle products industry, will move from its downtown headquarters at 1401 Pearl St. and occupy 30,000 square feet. Tech firm Sovrn Holdings, which helps publishers grow their businesses on the web, will move from 1750 29th St. and will occupy 30,000 square feet. Both firms will be leasing space.

The renovation is incorporating cross-laminated timber, which is made from engineered wood panels laminated together in alternating directions and has the look of heavy, old-growth lumber. Using cross-laminated timber offers waste reduction and environmental benefits because it is sourced using sustainable forestry practices and the boards are precisely pre-cut, which creates less material waste. The pieces arrive organized and numbered, allowing the building to be assembled on site. The primary structure of The Loading Dock will be erected in about a day.

"The look of CLT has captured our



COURTESY OZ ARCHITECTURE

An architectural rendering shows a portion of the interior of The Loading Dock.

imagination because of its inherent beauty and authenticity, as well as the opportunity to provide a built solution that is sustainable and high performing," said Amanda Johnson, associate principal at OZ Architecture, which has offices in Boulder, Denver and Colorado Springs.

Joe Anastasi, lead designer on the project and associate at OZ, said the design concept is based on both connection and authenticity.

"We wanted to connect to the existing warehouse and outdoor environment architecturally, but more importantly, we had the opportunity to connect to this local fabric in a transformative way," he said. "The potential for future development in this office park, the community, Colorado and even nationally

required a distinctive solution that highlights an honest use of materials, one that exposed the beautiful structure and unique connections and details."

To help reinforce this physical connection, a large CLT roof element cantilevers over the main entry and informal gathering deck space highlighted by string lighting above.

The project also is incorporating photovoltaic roof panels, and energy-saving mechanical, electrical and plumbing systems.

Boulder-based Quinlan Construction Inc. is the general contractor for the project.

Doug Storum can be reached at 303-630-1951, 970-416-7369 or dstorum@bizwestmedia.com.

PROPERTYLINE

Hach growing in Loveland with 86,000-sf building

LOVELAND — Hach Co., a Loveland-based manufacturer of high-tech water-testing equipment, has broken ground on a multimillion-dollar research and development facility on its existing two-building campus at 5600 Lindbergh Drive.

The new building will be approximately 86,000-square feet and will house work spaces for Hach's development teams, with multiple testing and development laboratories. All existing research laboratories and facilities will move into the new building, providing associates with the most advanced equipment and resources while creating room to expand and add associate work spaces in the existing buildings.

Hach's existing Loveland facilities include two buildings with more than 200,000 square feet.

More than 750 associates work on the Loveland campus and another 50 are working from leased office space in Fort Collins. This expansion will offer additional space to support Hach's near-term and anticipated future growth.

UCHealth's expansion continues with hospital, campus in Greeley

GREELEY — Aurora-based health system University of Colorado Health will build a 53-bed full-service hospital in Greeley. UCHealth has hospitals in Fort Collins and Loveland, and is building hospitals in Broomfield, Longmont and Highlands Ranch.

The \$150 million, four-story, 153,000-square-foot UCHealth Greeley Hospital will be the anchor of a proposed medical campus that will include a \$50 million, three-story, 112,000-square-foot UCHealth Greeley Health Center.

Construction on the health center is expected to begin this fall with an anticipated opening in late 2017. Construction on the hospital is expected to begin in early 2017 with an anticipated opening in late 2018.

The two structures will be built on the west half of 21.5 acres southeast of U.S. Highway 34 and 71st Avenue. UCHealth acquired the vacant land from St. Michaels Commercial Enterprises LLC in February for \$2.8 million, according to public records.

The project is expected to generate approximately 500 construction jobs. Once completed, the hospital will provide 300 health-care positions, according to a statement issued by UCHealth.

UCHealth will continue to provide a walk-in clinic, primary-care services and occupational-health services at the Greeley Medical Clinic, 1900 16th St., which is undergoing a \$1 million renovation.

Blue Federal Credit Union building branch in Fort Collins

FORT COLLINS — Blue Federal Credit Union will construct a new branch and renovate a building for another in Fort Collins, bringing its number of locations in the city to three.

Blue Federal is the result of the merger of Wyoming-based Warren Federal Credit Union and Broomfield-based Community Financial Credit Union in April.

Blue Federal will build a branch on East Drake Road just east of Timberline Road, renovate a building at 136 W. Mountain Ave. in Old Town for a branch, and continue to operate its branch at 181 Boardwalk Drive east of South College Avenue. The Old Town branch will open in September.

BRIEF CASE

CONTRACTS

Oil and gas producers **Noble Energy Inc.** and **PDC Energy Inc.** agreed to trade leased land in the greater Wattenberg area in Northern Colorado, allowing each company better opportunities for longer lateral drilling that they say will result in less surface impact. Houston-based Noble Energy (NYSE: NBL) will receive approximately 11,700 acres in the company's Wells Ranch development area, and Denver-based PDC Energy (Nasdaq: PDCE) will receive approximately 13,500 acres located southwest of Wells Ranch. The difference in acreage exchanged is driven primarily by variances in net revenue interest, the companies said in separate statements.

REI Outdoor School and the **Stanley Hotel** partnered to offer summer outings, classes and events to hotel guests, local residents and visitors to Estes Park. REI Outdoor School instructors will guide day trips into Rocky Mountain National Park, staff an outdoor concierge called REI Basecamp, and host activities across the Stanley's property. Financial terms were not disclosed.

To kick off the partnership, the REI Village was to be at the hotel from 10 a.m. to 6 p.m., Friday, June 24, and in the national park on Saturday, June 25.

EARNINGS

Vail Resorts Inc.'s third-quarter earnings report reflected an 18.2 percent increase in net income. Broomfield-based Vail Resorts (NYSE: MTN), operator of several ski resorts across the United States, posted net income for its third fiscal quarter ending April 30 of \$157.6 million, or \$4.23 per diluted share, up from \$133.4 million, or \$3.56 per share, a year earlier. Revenue climbed from \$579.3 million for last year's third quarter to \$647.5 million this year.

FLOOD RELIEF

The **city of Fort Collins' Floodplain Management Program** recently was highlighted as a case study by the American Water Resources Association. The AWRA white paper provides an analysis of proactive flood mitigation strategies nationwide, as well as spe-

cific lessons learned in design and implementation after previous damaging events. The city's multi-faceted approach to open-space preservation, flood-warning systems, stream restoration and flood mitigation funding serves as an example for other rapidly-growing urban areas that want to avoid recurring flood events. The city also was recognized in the **Federal Emergency Management Agency** Region VIII Loss Avoidance study. The findings emphasize how drainage improvements directly reduce flooding and demonstrate how the Community Rating System is an effective flood management program. Fort Collins recently achieved a CRS Class 2 rating, making it one of only five communities in the nation to receive that rating or higher.

KUDOS

Joe and JB Kellogg, chief executives of Fort Collins-based marketing software technology company **Madwire**, received Glassdoor's Highest Rated CEO recognition for 2016. Glassdoor, a jobs and recruiting marketplace, released its annual report recognizing top leaders in North America and parts of Europe.

Boulder was named the least-stressed city in the United States by personal finance website SmartAsset, with **Fort Collins** in 14th place. Boulder topped a top five that included Iowa City, Iowa; Duluth, Minn.; and Madison and Eau Claire, Wis. SmartAsset ranked 500 cities with populations of 67,500 or more that had data for each of nine factors considered in the study. Those factors included average work week, average commute time, divorce rate, physical activity rate, entertainment establishments per 1,000 businesses, average hours of sleep per night, bankruptcy rate, unemployment rate, and the ratio of housing costs to median income.

C.B. & Potts Restaurant and Brewery was honored by the North American Brewers' Association at the 20th annual North American Beer Awards in Idaho Falls, Idaho. The RAM Restaurant Group, owners and operators of C.B. & Potts, won seven medals, including a silver out of the Fort Collins location and a gold for its seasonal Barefoot Wit, which is now on tap at all Colorado locations.



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BW TECHNOLOGY

Things are looking up for a drone takeover

We've all seen them in the news: A drone lands on the White House lawn.

Drone racing is the next sport of the modern age. Dutch police train eagles to attack surveillance drones. A drone is used to drop illegal drugs into an Ohio prison yard. Amazon plans to use drones to deliver packages. Google announces the use of suborbital drones to broadcast wifi to remote areas of the planet ...

Unmanned aerial vehicles once were a small recreational niche but now are becoming the headlines of major stories in security, technology, sports and overall controversy. So what has caused such an accelerated market growth in these small, yet powerful devices?

Advancements in technology. The features and technology used in drones are rapidly developing,

exceeding even the smartphone industry. It seems that every year, new devices hit the market with improved components and at a lower sticker price. Some drones now utilize 4K video recordings and have the ability to set GPS coordinates to accurately record precise footage and measurements. eHang, a Chinese company, is even testing an automated drone large enough to carry humans (for an entry price of \$200,000 to \$300,000). Much of this advancement in technology is driven by the consumers whom demand bigger and better products year after year.

Investments are booming. Despite an overwhelming increase in Federal Aviation Administration regulations regarding the usage of UAVs, investments in drone conglomerates have grown exponentially over the past year. According to CB Insights, in 2015 drone startup companies raised more than \$450 million, an increase of more than 300 percent versus 2014 data. A January report by BI Intelligence highlights more dramatic figures to consider:

“Expect to see drones trending through more facets of our economy as the year continues.”

- Projected revenues from drone sales could top \$12 billion in 2021.
 - Shipments of consumer drones will more than quadruple over the next five years.
 - Safety technologies such as geofencing and collision avoidance will relax FAA regulations and enable large numbers of drones to take to the sky.
 - Sports markets have been stimulated by large investments for competitive drone-racing leagues.
- Applications on the rise.** Drones continue to fill the skies as demand continues to parallel the amount of manufacturers in the market. As technologies continue to develop, more industries are seeing plausible

applications for drone usage. The commercial markets of agriculture, land management, energy, construction, and oil and gas all have found lucrative ways to utilize drones in their respective fortes. Large defense-focused manufacturers also are emerging as government and security entities begin to enter the market.

Expect to see drones trending through more facets of our economy as the year continues. As technology and applications continue to expand, the FAA and government agencies will continue to be pressured to regulate both the commercial and recreational usage of UAVs.

For the recreational enthusiasts: Use common sense when flying these devices for personal use. Keep your drones under 400 feet in altitude, steer clear of airports, pedestrians and vehicles, and always keep your device in visual sight while operating.

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



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Diane Horak
Program Manager

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See the Health & Wellness section of the Recreator for a complete list of activities and registration information.



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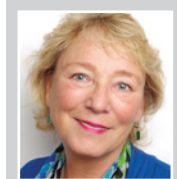
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LAW

Why is my contract so long?

"The time to repair the roof is when the sun is shining."

- John F. Kennedy

You entered into a pretty basic commercial deal and decided to do things properly and get it drawn up by an attorney. You receive a 'draft' from the attorney and it's long. It was a simple deal so why are there so many terms? The answer lies in risk-shifting, or preparing for the rain. There are many ways a contract can be drafted to guard against the rain - two of which are representations



Brandy E. Natalzia
Otis, Bedingfield & Peters, LLC

and warranties and indemnity provisions. A representation is a statement of fact upon which another party is expected to rely, while a warranty is a party's assurance as to a particular fact coupled with an implied indemnification obligation if that fact is false. An indemnification clause is a promise to protect and defend another in the event a particular set of circumstances leads to a loss suffered by another party.

Having an attorney draft or review your contract before signing is recommended. You need to understand the potential consequences of risk-shifting provisions in any contract. By carefully drafting and negotiating a contract before execution, during the good times, you can best protect yourself or your company from the inevitable rain.

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Company website should extend customer service

You can take your website to the next level by thinking of it as a crucial extension of your real-world customer service. The rationale here is that your website is the representation of your business online. It's a 24/7 salesperson, so groom it like you would your front-line staff. Make visiting your website a totally pleasant and fulfilling experience.

Consider these criteria: Is it easy to navigate? How quickly does it load? Are there ever times when the server is down and your site is inaccessible? Not good! What about the look and feel of the site? Is it a clean "showroom" for your brand?

Are there pockets of space to settle in there, just like a well-designed store provides "breathing room" amidst its clothes racks and housewares displays?

What about the copy? Is it accessible, clear and to the point? Is it helpful? Put yourself in a visitor's shoes and think: Are they answering my

questions here?

Let's talk about those people who walk across the screen, with their tiny torsos and loud voices. They really are a vestige of the '90s, but if you still have one of those aliens intruding onto the screen on your site, it's time to decommission him or her. In fact, anything that auto-invokes and blares music is very unwelcome in a work cubicle. Think how quickly you yourself reached for the mute button on your keyboard when luau music gave your Hawaiian vacation planning away in a loud second!

Then there is the latest craze of pop-up screens, ones that ask you to subscribe to a newsletter before you even have become familiar with the website. If you are going to insist that someone take the time to either fill out your prominent form or X out of it – throw the form up only after the visitor has strolled through your site and seen a few pages, or has remained there for a minute or longer.

Think about your visitors as if they were physical customers entering your place of business for the first time. How will you set up a wholly conducive environment for

"When I think of companies that provide exquisite customer service in real life, these few leap to mind: Ritz Carlton, the Atlanta Braves, Nordstrom, Ruby Receptionists and FreshBooks."

them?

One pet peeve I have is sites that don't date their blogs or articles. If I'm surfing the web for some information, and get to a site that seems to have all the answers — but they're out of date, that is a fail. I have to go elsewhere to ensure I have the very latest knowledge. For the best customer service on a website, date everything. Including your copyrights.

Do you provide a search function? A medium to large site needs one to help visitors sort through the information there. It's a sign that you care

if you provide a search function; just be certain that it works like a charm, taking people to the most relevant results.

Chat features are good for business and provide helpful customer service. If you are on a retail site and want to know something right away in order to make your purchasing decision, that knowledgeable person on the other side of the screen can certainly clinch it. But be careful; some chat people are just too chatty. They don't sit quietly in the background awaiting your query. No, they get right in between you and what you are reading. They might even say something out loud. Yikes.

When I think of companies that provide exquisite customer service in real life, these few leap to mind: Ritz Carlton, the Atlanta Braves, Nordstrom, Ruby Receptionists and FreshBooks.

It would be interesting to see if their websites are as brilliant at customer service as their refined in-person experience. Check them out and see.

Laurie Macomber, owner of Fort Collins-based Blue Skies Marketing, can be reached at 970-689-3000.



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By Joshua Lindenstein

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BOULDER — The founders of BallotReady came to Boulder in February with the goal of their online voter guide providing comprehensive information on candidates and issues in seven states for this fall's general election. By the time they graduated from the MergeLane startup accelerator 12 weeks later, they instead were ready to ramp up to 25 states.

BallotReady chief executive Alex Niemczewski said her Chicago-based startup's time spent in Boulder earlier this year proved invaluable as it related to team development, marketing, scaling and fundraising strategies.

"I could talk about how wonderful they are for hours," Niemczewski said of MergeLane in a recent phone interview.

Colorado's importance to BallotReady didn't end in April. The state is one of just four in which the website is covering primary elections this year as well, testing out strategies ahead of the big rollout this fall.

With Colorado primary ballots due June 28, Colorado voters at no cost can enter their address and party affiliation at ballotready.org and see a list of every candidate running in the primary for every race at the national, state and local levels — all specific to each voter's individual ballot. From there, voters can find aggregated information on each candidate, ranging from previous experience to endorsements to news to stances on issues. For the general election in the fall, information on ballot measures will be included as well.

BallotReady's value, Niemczewski said, is particularly in the local races, where candidates for races such as, say, university regents aren't always as well-known and voters often resort to guessing or leaving portions of their ballot blank.

"We're pretty inundated with information about the presidential candidates," she said. "Most people are decided when they show up to vote for president, but they're not prepared for the rest of the ballot."

Founded by Niemczewski, Aviva Rosman and Sebastian Ellefson in late 2014, BallotReady partners with the University of Chicago's nonpartisan Institute of Politics and boasts among its board of advisors David Axelrod, a former adviser to President Obama, and former Secretary of Transportation Ray LaHood.

BallotReady covered Chicago's



JONATHAN CASTNER FOR BIZWEST

Alex Niemczewski, left, chief executive of BallotReady, and co-founder Aviva Rosman hope to contribute to a better-informed electorate.

mayoral runoff election in the spring of 2015, spending about \$180 and attracting 400 users. The site already has covered primaries in Illinois, Kentucky and Maryland this year. For the Illinois primary in March, BallotReady attracted 64,000 users, or about 2 percent of overall voter turnout. For the Kentucky primary last month, although, BallotReady officials said usage ballooned to 12 percent of registered voters in the state who accessed the site to view candidate information.

BallotReady still is finalizing which 25 states it will cover this fall, Niemczewski said, with an eye on swing states where races figure to be more hotly contested. General election info will begin going live on the site in September or October.

While other sites such as Ballotpedia and Change Politics offer some form of the same services, Niemczewski said BallotReady aims to set itself apart by covering every candidate on every person's ballot and providing more comprehensive information. BallotReady users also can set preferences on the issues that matter most to them and compare candidates on those specific topics. The site aims to prevent bias by aggregating information on the web as opposed to providing summaries or recommendations. The site also lists candidates for each race in random order.

Niemczewski said the eventual goal is to "cover every race, every election in every democracy at some point."

Since BallotReady plans to always keep the site free for voters, the company is pre-revenue at this point.

Niemczewski said the priority this year is making the site useful for voters, with a deeper dive into making money next year. She said the major avenue for revenue is tapping into the billions of dollars spent on campaigns every year. That could mean selling data on what voters care about in a given district to candidates, elected officials or advocacy groups, or other things such as selling ads or video spots on specific candidates' profile pages.

MergeLane cofounder Sue Heilbronner said the team of cofounders is what attracted the accelerator to BallotReady first and foremost. But she said the user traction the site has already gained encourages her that the company will find a way to make money.

Funded so far mostly by grants from the National Science Foundation and Knight Foundation, as well as prize money from various pitch contests, Niemczewski said the company has raised about 75 percent of a planned \$750,000 seed funding round. MergeLane, through its discretionary investment fund, has committed a six-figure investment to the round.

"If (the user rate in Kentucky) is the kind of traction they're seeing in their first month of operation," Heilbronner said, "we have a high level of confidence that they're filling a need that will have material business implications."

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STARTINGLINE

Feld, Batchelor aim to boost tech diversity

BOULDER — Local venture capitalist Brad Feld and wife Amy Batchelor are donating up to \$100,000 of their own money to help in the Techstars Foundation's efforts to increase diversity in technology entrepreneurship. Specifically appealing to "anyone who has gone through a Techstars accelerator, done a Startup Weekend, participated in a Startup Week, receives Startup Digest or has been a mentor or investor in any Techstars company or program," the couple is matching every \$2 raised with \$1 of their own in a push to raise at least \$300,000 for the foundation by the end of summer. Feld, a cofounder of the Boulder-based Techstars startup accelerator and a managing director of VC firm Foundry Group, and Batchelor, a philanthropist and writer, have long made boosting diversity in tech a mission to boost the proportion of women, minorities and other underrepresented groups.

Boulder, Larimer firms picked for Cleantech Open

Several companies from the Boulder Valley and Northern Colorado are among 13 teams from the Rocky Mountain region that have been selected to participate in the Cleantech Open, which bills itself as the world's largest cleantech accelerator. Participants include Boulder-based Agua Inc. and Big Blue Technologies, Lafayette-based Commute Matters Inc., Loveland-based Wave Solar Technologies and Fort Collins-based Global Village Power LLC. In its 10-year history, the Redwood City, Calif.-based Cleantech Open, a 501(c)(3) not-for-profit organization, has helped 1,036 startups accelerate their businesses, raising \$1.135 billion in funding and creating 3,067 cleantech jobs, according to its figures. The organization runs a six-month program to connect startups with people, resources and visibility. Over the next few months, the teams will receive coaching from Cleantech Open's network of business mentors, one-on-one consulting with specialists, a business boot camp at the Cleantech Open National Academy and extensive local supporting events, training and materials. This support helps each team develop a comprehensive business plan and investor pitch that will be presented to professional investors and experts to determine which teams will advance to the finals.

IMM founders create marketing incubator

The founders of Boulder-based digital-marketing agency IMM created a marketing incubator, Boulder Heavy Industries, which will also act as a parent company to IMM and two other new units. Boulder Heavy Industries will invest in and support advertising and marketing startups. Boulder Heavy Industries' subsidiaries will include IMM; Fact & Fiction, a creative agency spun out of IMM's strategy and creative unit; and Visiqua, a performance media vendor. It also has made an investment in Brandzooka, Alex Bogusky's video ad platform, formerly Visibl. Under the new corporate structure, IMM, Fact & Fiction and Visiqua are becoming subsidiaries of Boulder Heavy Industries with their own profit and loss responsibilities and leadership teams.

Boulder Heavy Industries will offer financial, human resources, legal and administrative support for its portfolio companies.

A dose of business clichés and neglected lessons

Sharon Stone sat two tables away. Movies and red-carpet memories flashed and bubbled inside my head. I sipped the last of the cold coffee as ex-Secretary of State George Shultz ended his remarks and the San Francisco Symphony fundraiser spilled into networking and schmoozing.

Like many a bright idea, meeting Sharon Stone took abrupt urgency.



INNOVATION
RICK GRIGGS

Every founder and innovator connects with this urgency. Each startup or steady-on can instantly launch a narrative of birthing their idea or of some driving emotional quest. Along the way, here are a few reframed aphorisms for sudden passions or well-thought adventures.

Cross that bridge before you get there. Crossing a bridge when you get there is a fast track to failure. Smart businesses study every support beam, arch and trestle beforehand. A celebrity once said, “I pretty much believe in that Dylan Thomas line, ‘Do not go gently into that good night.’” I suggest early surveying so that neither the coming bridge nor Dylan’s mysterious night messes with your plans.

Count every chicken early. If we don’t count our chickens before they hatch, we’ll get caught with you know what on our face. Don’t spend money you haven’t earned, but know if the yield, license or retainer will keep you in business. Count those chickens. During the great times of the 1990s and early 2000s, I could depend on 75 percent of my business proposals being accepted. History supported each estimate. When it changed, and it did, I counted anew.

All work and no play makes Jack stupid. This classic was thrown at me in graduate school as a friend recited, “Rick, all work and no play makes Jack a dull boy.” I rationalized that at least my thesis was published and I graduated. Years later, I got it. Good, steady habits finish more degrees and business initiatives, leaving time to enjoy life and be a true human being. The “work hard, play hard” jingle is as uncreative as “I’ll catch up on sleep when I’m dead.” The real insight is to focus hard on your creative work when you’re working — no multitasking, no lollygagging, no superficial work/life balance. Focus, focus, focus. That’s how great books are written and real innovation rises above the serial startup. If you have purpose and balance, fun doesn’t come later; you’ve been having it all along.

A bird in the hand can still fly. The plant manager at Intel’s Fab 2 in Santa Clara, Calif., sat me down and said, “Rick, you’re leaving gold on the

table.” I was smug with the hidden knowledge that I had my precious three birds in the hand and no longer needed their corporate gold — Frito-Lay, L’Eggs pantyhose and an auto dealership in Santa Cruz. Oh, how I wish I’d had a mentor then. Those birds in my hand contributed to the timing of my au revoirs and voluntary Intel exit interviews. I should have been beating every bush I could find because I lost all three sure bets.

Heads I win; tails you lose. This isn’t your con-artist relative or that buddy who just got out of prison. This is you and your business, your

brand. Some call it a blue-ocean strategy where you do things to render the competition irrelevant. It’s a subtle form of genius to read enough, learn enough, risk enough and prepare enough to position your enterprise to win as circumstances change.

Yes, you’ve been waiting. I never actually met Ms. Stone on that San Francisco evening. The closest I got was to brush up against her arm, mumble a poorly articulated “Excuse me” and continue towards the exit. It was a thrill. She’s the one who mentioned the Dylan Thomas line.

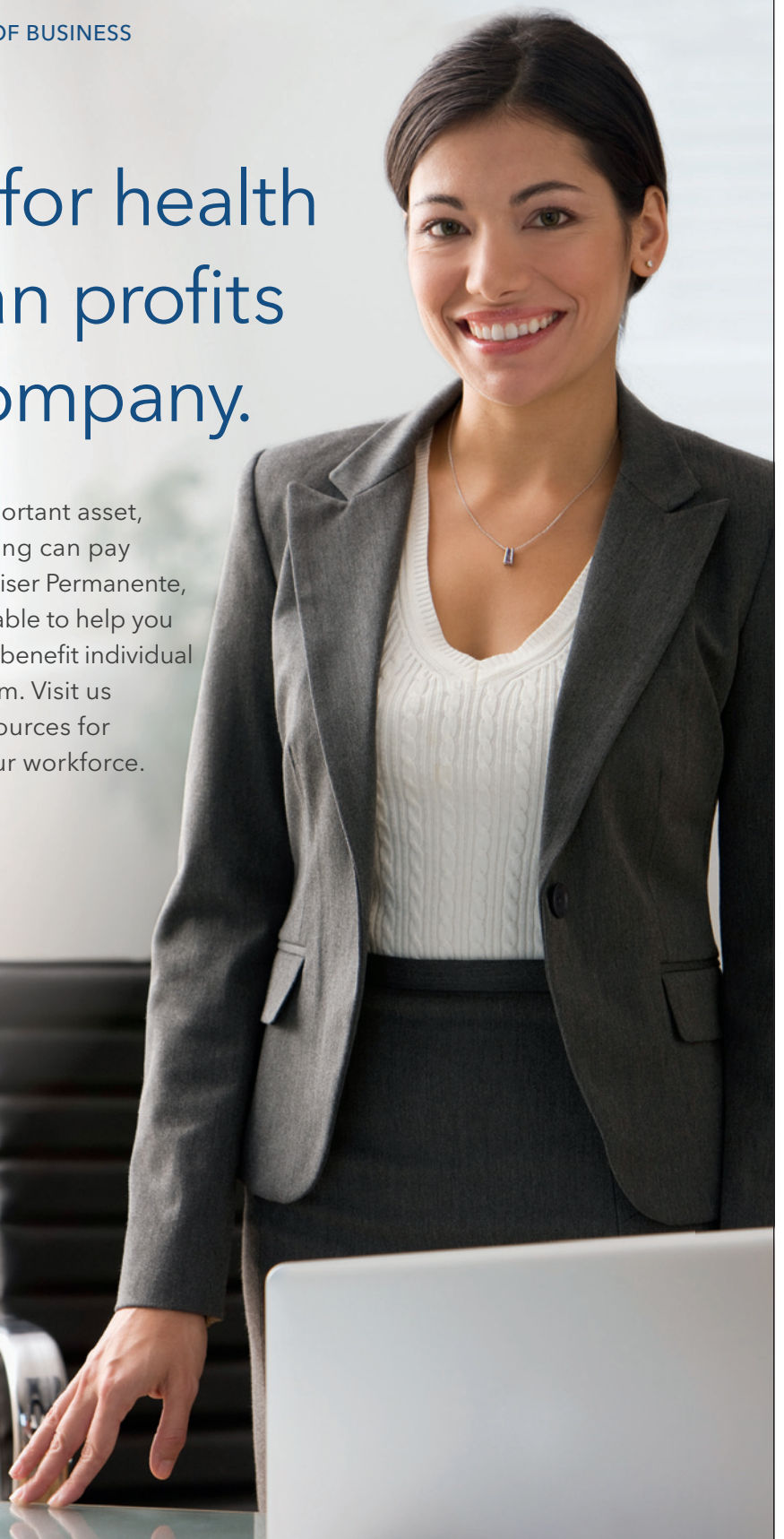
“If we don’t count our chickens before they hatch, we’ll get caught with you know what on our face.”

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DALLAS HELTZELL/BIZWEST

Participants in BizWest's June 14 CEO Roundtable for the outdoor industry, included, from left, Gareth Richards, owner of Outdoor Prolink; Peter Schaub and Jon Banashek of meeting host Berg Hill Greenleaf Ruscitti; Shelley Dunbar, marketing director of Sea to Summit; Heidi Potter of Berg Hill; Seth Haber, founder and CEO of Trek Light Gear; Nicole DeBoom, founder and CEO of Skirt Sports Inc.; Jonathan Fox, president of Eco Vessel; Judy Amabile, CEO of Product Architects Inc.; Luis Benitez, director of the Colorado Outdoor Recreation Industry Office; Steve Sashen, CEO of Xero Shoes; Jeremy Wilson of sponsor EKS&H; Demetri Coupounas, co-founder of My Trail Co.; Ricardo Bottome, founder of Slackline Industries and CEO of Canaima Outdoors; Jeff Curran, founder of elevenpine; and Kimo Seymour, president of Life Time Fitness.

Outdoor execs: Use Boulder better

By Dallas Heltzell

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BOULDER — An outdoor industry that once found its center of gravity in Boulder now seems to be shifting to Utah — as evidenced by this month's announcement that the nonprofit SnowSports Industries America trade group had picked Park City over Boulder for its new headquarters. Executives of local outdoor recreation-related companies gathered June 14 in Boulder to discuss ways of luring it back.

Slackline Industries chief executive Ricardo Bottome, for one, said the shift to Utah doesn't make sense. The center of the outdoor industry "doesn't belong in a state that doesn't value diversity," he said at a CEO Roundtable sponsored by BizWest. "Salt Lake City has 1.7 million people, and it's dead. Boulder has 100,000, and it's fun."

Demetri Coupounas, co-founder of My Trail Co., also praised Denver International Airport, noting that "there's not a better airport than DIA for the outdoor industry. We can get anywhere in three and a half hours," he said, "not that I want to go anywhere. A lot more people love Colorado."

Luis Benitez, director of Colorado's new Outdoor Recreation Industry Office, offered one answer. "Why Utah? For one thing, the mayor of Ogden keeps calling and offering cheap land and tax breaks.

"I don't think we capitalize on the things we have well enough," he said. "Where's the sense of voice we're trying to build? Boulder's in competition with Park City, but why couldn't it be less about Boulder and more about the county? We've got a lot more to sell."

Others cited high housing costs in

Boulder.

"I wasn't very scientific about moving my business here. I wanted to be here," said Kimo Seymour, president of Louisville-based Life Time Fitness. "But, wow, were we in for a sticker shock with the residential real estate prices. We lost a lot of people. We relocated 30 here, but a lot of people declined because of the cost of living."

Steven Sashen, CEO of Xero Shoes, noted that the effect of Colorado's new marijuana industry has been to raise the cost of both real estate and talent, and Judy Amabile, CEO of Product Architects Inc., added that the pot business has gobbled up much of the area's warehouse space.

"Let's say we got more warehouse space," countered Benitez. "Would that make a difference because of housing costs?"

"There's no magic thing to solve that problem," said Shelley Dunbar, marketing director for Sea to Summit. "It's a question of supply and demand, and if there are not some changes, it's not going to get any better."

For most, moving east into less expensive Weld County didn't seem like a viable option.

"For us, it wouldn't be feasible," said Gareth Richards, owner of Louisville-based Outdoor Prolink. "We won't go farther out."

"Boulder as a brand is unbelievably valuable," Coupounas agreed. "It's where you want people to come and experience your brand. That doesn't mean your headquarters has to be here."

Companies can do more to market their own brands as well, and attendees noted that it's a learning process.

"You have to create an online presence, and make your brand clearly

understood," said Nicole DeBoom, who founded Skirt Sports in 2005 but held a grand opening June 16 for her first retail location at 2795 Pearl St., near Boulder Running Co.

Selling their wares on Amazon didn't garner rave reviews.

"The biggest problem with Amazon is China," said Jonathan Fox, president of Eco Vessel. "Amazon doesn't really support brands well. Anybody can go to China and copy anything you have in two seconds."

Seth Haber, founder and CEO of Trek Light Gear, said he's been inspired by Bo Burlingham's book "Small Giants: Companies that Choose to Be Great Instead of Big."

"You have to decide what are your goals as a business owner," Haber said. "I've focused on selling direct to consumers from a kiosk on the Pearl Street Mall. I like seeing a smile on a customer's face more than I like to deal with another business owner who doesn't like me. Growth for growth's sake doesn't get you anywhere."

Most agreed, however, that sharing resources and advice always helps.

"There's a need for community in the outdoor industry," said Jeff Curran, founder of elevenpine, a startup that is marketing cycling shorts that can transition from a tighter fit while riding to a looser casual look. He cited a bicycling, business and beer meetup group that has expanded from 20 or 30 members to nearly 500.

All agreed with Fox's conclusion that "I want the Colorado thing to matter more than it does."

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THE TICKER

Local jobless rates hold steady in May

Unemployment rates for Boulder, Broomfield, Larimer and Weld counties held mostly steady from April to May even as the state of Colorado as a whole experienced a decrease in private-sector jobs as well as an increase in its jobless rate. The Colorado Department of Labor and Employment released its latest employment figures based on a survey of households while total jobs figures are according to a survey of business establishments. Boulder, Broomfield and Larimer counties' unemployment rates remained the same from April to May, with Boulder coming in at 2.9 percent, Larimer at 3 percent and Broomfield at 3.1 percent. Weld's rate, meanwhile, dropped one-tenth of a percentage point to 3.6 percent. All four counties' rates were down three- or four-tenths of a percentage point from the same month a year ago.

Prices of attached dwellings up in May

The Boulder Valley and Northern Colorado continued to experience big year-over-year median-price gains for single-family homes in May, including 21 percent in Greeley. But the real eye-popping increases came in the prices of attached dwellings, such as townhomes and condominiums, in some of the region's largest cities. The figures come from the latest report from Loveland-based Information Real Estate Services. The median price of attached dwellings in Longmont rose 56 percent, from \$198,750 in May of last year to a 2016 high of \$309,950 as listings for such home dry up in the city and new higher-priced stock comes online. In Boulder, the median price for attached dwellings rose 30.8 percent to \$453,750, also a 2016 high. The Loveland-Berthoud area saw the median price for such homes climb 23.7 percent to \$246,750. The price increases for attached dwellings in Fort Collins and Greeley were still strong but not quite as drastic. The median for those homes in Fort Collins rose 9.3 percent to \$253,000, while in Greeley the median climbed 5.8 percent to \$190,300. Greeley, however, saw the biggest increase percentage-wise among the region's five largest cities for single-family homes. The median price of a detached single-family home in Greeley — with figures including sales in Evans — in May hit a 2016 high of \$260,000, up from \$215,000 a year earlier and up from \$248,250 in April. None of the region's other four largest cities hit 2016 highs for single-family home prices in May, although Loveland and Longmont still had double-digit gains.

35 million-dollar home sales in May in Boulder

Boulder saw 35 million-dollar home sales in May, second in the Denver metro area only to the city of Denver, which had 51. The figures come from the latest Coldwell Banker Residential Brokerage luxury homes report, which is based on multiple-listing service data for all homes sold for \$1 million or more in the metro area. The region as a whole saw 168 such home sales in May, up from 131 in April but exactly the same as May 2015. Of the 168 sales, 22 came in at \$2 million or more, with six topping \$3 million.

Don't allow pricing issues to derail your sale

Has this ever happened to one of your salespeople? They had a series of great discussions with a prospect, taken lots of great notes and developed the proverbial “killer presentation.” They started to deliver that presentation and received all kinds of positive signals from the prospect: encouraging body language, words of approval, that kind of thing. Things seemed promising. When they got to the last page of the proposal, the price page, all of the positive signals stopped cold.



SALES SMARTS
BOB BOLAK

The meeting ended without a commitment. The prospect had to think about it, had to talk to people, had to check the numbers, had to do any number of things other than say “yes” or “no” to your salesperson’s pricing. They left without any agreed-upon timeline for a decision and the deal died. What happened? They made a classic mistake. They saved the money discussion for last.

Many salespeople (perhaps you as well) feel uncomfortable discussing money issues with prospects and clients. The discomfort most often is the result of early childhood messages, primarily received from parents, which suggest that it is not appropriate to talk about money. Can you remember your parents telling you that it is not polite to ask someone how much money he earns or how much something costs? Were you taught that money was the root of all evil?

While it may be uncomfortable for some salespeople, encourage your salespeople to have the money discussion before they present. Odds are that most of your sales team has been trained to start their prospect conversations by uncovering pain that can be successfully addressed by your product or service. Hopefully, in the pre-presentation/proposal discussion, they’re asking questions to first discover the prospect’s expectations or limitations regarding the financial aspects — the price, costs, terms, fees, etc. — associated with the acquisition of your product or service. Why would you save that discussion for the final slide of your presentation? Doing so only produces the perfect opportunity for a “Let me think it over” moment.

Having a strategy and a prepared set of questions can help ease this discomfort (for you or your prospects) and make the financial conversation a natural part of the selling process. The most direct strategy for uncovering a prospect’s budget situation is simply to ask something as simple as “Do you have a budget set aside for this purchase?”

If your prospect’s answer to your

budget question is “no,” or he is reluctant to share the information, you can “test the waters” using third-party stories. Reference one or two similar sized projects or sales you completed with other clients and disclose an investment range within which those transactions took place. Then, ask your prospect if he would be comfortable making a similar size investment if he felt your product or service was the best fit for his needs.

For instance, you might say, “Jim, the last two projects that we completed that were similar in scope to what we are discussing came in between just

over \$18,000 to just a bit under \$22,000. I suspect that you’d be looking at a similar size investment. Can you be comfortable with an investment in that range? If not, you should probably tell me now before either of us invests any more time in something that will never get off the ground.”

At this point, the prospect will either have a budget, not have a budget or have a budget and be unwilling to share it. This insight keeps your salesperson in control of the selling process where they can decide to either proceed in the sales process or disengage.

Instead of investing lots of time, energy and resources and setting up a presentation that won’t close, teach your salespeople how to make “Let me think it over” a thing of the past. Disengage politely. Work with a qualified prospect who will discuss budget issues directly, and who will commit to giving you a clear “yes” or a clear “no.” Your salespeople’s closing numbers, sales and personal income will improve as a result.

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BW COMMENTARY

Boulder, Xcel talks could carve new path

Our fingers are crossed. News that the city of Boulder and Xcel Energy are engaged in high-level settlement talks over the city's push to create a municipal-owned utility should be welcomed by observers, including opponents and proponents of municipalization.

Boulder and Xcel announced June 8 that they were engaged in settlement discussions, releasing a joint statement that read, in part, "While settlement negotiations are typically confidential and sensitive in nature, Boulder and Xcel Energy have decided to publicly acknowledge this ongoing process in an effort to be as transparent and open as possible. This being said, the nature and extent of the discussions will remain confidential unless and until a conceptual agreement is reached, at which time it will be shared with the community and impacted stakeholders. The settlement would require Colorado Public Utilities Commission review and approval."

It might be too soon to shout, "Hallelujah," but we're cautiously optimistic that the sides have reached this point after five years. Boulder secured voter approval to pursue municipalization in 2011 as a way to achieve its climate-action goals. A counter-proposal by Xcel to increase renewables was deemed insufficient.

Five intervening years have brought victory and defeat for both sides in various jurisdictions, including the PUC, the Federal Energy Regulatory Commission and courts. It's likely that these rulings — and more to come — pushed the city and Xcel to the negotiation table, as has the millions of dollars spent on the effort.

Any compromise would likely include a new franchise agreement between the city and Xcel, an agreement that would need voter approval, perhaps as early as this November.

We hope they get there. Municipalization never should have been the "end-all" of Boulder's efforts. Rather, shifting away from fossil fuels and toward renewable energy should be the goal. Municipalization would have offered one means to that end, but the cost of condemning Xcel's assets and fighting it out in courts and with regulators might very well be too high.

Let's hope that these talks identify another path forward. Xcel is regarded as one of the greenest utilities in the nation. But if Boulder can push Xcel to even greater strides away from coal and toward wind and solar, so much the better — both for Boulder and other cities working toward similar goals.

BizWest's Energy Summit to explore sector's downturn

Layoffs, mergers, ballot measures to drive agenda

Northern Colorado's energy economy has taken its fair share of hits in the past year. Low commodity prices have prompted layoffs at energy companies along the Front Range, with Weld County particularly hard hit.

Weld produces about 90 percent of the state's oil and about one-third of Colorado's natural gas. A booming energy sector over the past decade has brought enormous wealth to the state and to Weld in particular, with low unemployment, increasing housing prices and low hotel vacancies. The energy sector also has helped Greeley's industrial real estate market, as energy companies competed with dairies and cannabis operations for space.

But times — and fortunes — have changed. In addition to layoffs, many energy companies are selling assets or merging with other companies. At the same time, restrictive ballot measures are proposed for the November election, even as the Colorado Supreme Court struck down fracking moratoria or bans.

Where the energy economy is headed will be the subject of BizWest's fourth annual Energy Summit, scheduled for July 20 at the Ranch Events Complex in Loveland. Among the topics:

- Economic Report Card: Northern Colorado and the Energy Downturn: How are low energy prices affecting the Northern Colorado economy? A panel of experts will discuss the impact of job cuts and

lower energy production on all aspects of the regional economy, and we'll examine where commodity prices might be heading.

- Emerging Mergers (& Acquisitions): The distressed energy economy is prompting many companies to seek merger partners, to sell their businesses or acquire other assets. What are the drivers of this trend, and what do companies need to know when pursuing a deal?

- On Track: Transload facilities provide connections between rail and truck transportation — driven to a great extent by the energy sector. We'll examine trends in transloading, including what's here and what's coming. This is a huge part of the energy sector's expense and affects their bottom line.

- Energy and Public Policy: Energy production is influenced by many factors, including ballot measures, Supreme Court rulings, local legal issues, land-use regulations and public opinion. We'll provide a panel discussion exploring what's happened, what's proposed and what it all means.

Energy remains an integral part of the state's economy, driving more than \$30 billion a year in economic impact and employing 100,000, according to data compiled by the University of Colorado Boulder Leeds School of Business.

Visit www.bizwest.com to learn more about the Energy Summit and how to keep abreast of changes in this important sector.

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PUBLISHER'S NOTEBOOK
CHRISTOPHER WOOD

BW POLL

What do you think of the new federal overtime rules for salaried employees?*

It's a horrible idea that will hurt the economy and cost jobs.
50%

I love it. It's about time that salaried employees got their fair wages.
33%

No big deal. This won't affect me much.
17%

Next Question:

Has your business met its budgeted profit so far this year?

Yes — times are good.

No — we're not where we want to be.

Visit www.BizWest.com to express your opinion.

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High court's wetlands opinion could be game changer

Chalk one up for property rights. The U.S. Supreme Court just changed the playing field for wetland permitting, notably tipping the balance toward landowners and developers seeking clarification of whether their planned activities require Army Corps of Engineers authorization. Moreover, in somewhat of a rarity in environmental cases, the court did so unanimously.

The Clean Water Act requires a landowner to obtain a Corps permit before working in “waters of the United States,” a phrase that defines the reach of the Act. Contrary to what one might expect, it often is not clear whether a property contains such waters. Therefore, the Corps has long provided property owners Approved Jurisdictional Determinations that state the agency’s definitive position on whether a project area contains protected waters.

If the Corps determines that a planned project area does not contain protected waters (a negative JD), the project can proceed without a permit. A negative JD generally gives the property owner a five-year “safe harbor” for work in the evalu-



GUEST OPINION
JOHN KOLANZ

ated area. However, if the Corps determines that the area contains protected waters (a positive JD), the landowner typically seeks Corps authorization before proceeding.

In this case, a company in Minnesota sought to expand its existing peat-mining operation to nearby lands. Before doing so, it requested an Approved JD from the Corps for certain wetlands in the expansion area. The Corps issued a positive JD based on the wetlands’ “significant nexus” to a river some 120 miles away. Moreover, the Corps indicated to the company that the required permitting process would take years and be very expensive.

Corps regulations specifically allow a party to appeal an Approved JD to a higher level within the Corps. The company pursued such an appeal, but the Corps affirmed its original determination. The company then sought review of the Approved JD by a court.

For years, courts have supported the Corps’ position that Approved JDs are not judicially reviewable. This recently began to change, causing inconsistencies among the lower courts. The Supreme Court accepted this case to definitively resolve the issue.

The authority of a court to hear such an appeal turns in part on whether the agency action at issue — here, the Approved JD — has legal

consequences. The Corps has long argued that Approved JDs effectively have no legal consequences because landowners still have the options of applying for a permit and appealing any unsatisfactory results, or proceeding without a permit on the theory that the Corps’ Approved JD is faulty.

All eight Supreme Court justices (the late Antonin Scalia would have made it nine) rejected the Corps’ position, finding the agency’s articulated options inadequate. The court observed that getting a permit can be time-consuming and expensive, citing a study from 1999 showing that permits, such as the one required here, take an average of 788 days and \$271,596 to obtain. (These figures have likely risen significantly since then.) Moreover, a positive JD deprives landowners of the five-year safe harbor, exposing them to potential civil penalties of up to \$37,500 per day, and even higher criminal fines and imprisonment. The court found these to be tangible legal consequences that make Approved JDs appropriate for judicial review.

The Corps’ response to this decision is difficult to predict. Since the Clean Water Act does not require the Corps to issue Approved JDs, the agency could simply stop the practice. However, one justice warned the Corps about such a move.

In a concurring opinion, Justice

Anthony Kennedy stated that the Clean Water Act, especially without the JD procedure, raises “troubling questions regarding the government’s power to cast doubt on the full use and enjoyment of private property throughout the nation.” In other words, dropping the practice of providing Approved JDs may prompt heightened scrutiny of the Corps’ authority under the Act. The court will likely soon have an opportunity to scrutinize the Corps’ Clean Water Act authority when, as most expect, it reviews a controversial rule defining which “waters” the Act protects.

Assuming the Corps continues its practice of issuing Approved JDs, this decision will change the dynamics between the Corps and landowners. Landowners will gain leverage in the JD process. The prospect of a resource-consuming judicial appeal will make the Corps less likely to push the envelope on JDs and more likely to seek common ground. Landowners should carefully consider the legal implications of this case, and how it ties into other recent Clean Water Act developments, before discussing planned projects with the Corps.

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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: “Snow-sports trade group picks Utah over Boulder, Denver for HQ,” June 9

Commenter: Helene Stout
“Too bad would have been a great add of “good Jobs” to Colorado.”

Story: “Boulder, Xcel seeking settlement in municipalization dispute,” June 8

Commenter: Patrick Murphy
“Municipalization is not a strategy, it is a vanity based on Xcel Hate. 6 years, over \$17 million dollars in wasted value, and not one single fully detailed cash flow analysis. That cash flow analysis is due at the end of this month. Is it a coincidence that the negotiations have started? I think not. We shall see.

All Boulder needs to achieve ALL of its energy goals are:

Wind incentives,
Solar incentives,
and a REC’s broker.

For a long list of videos, just go to YouTube and search on Boulder Municipalization 2016. There are 7 videos that challenge the Honesty and Integrity of the Muni.”

Story: “Over a barrel: Decline in oil prices sends ripples throughout economy,” June 10

Commenter: Mark Vincent
“Isn’t this how a free-market economy is supposed to work? When supply exceeds demand, won’t the price for a commodity decrease?”

This is the result you get when you rush hell-for-leather to make the US the biggest oil-&-gas producer in the world as quickly as possible — the bigger you are in the marketplace, the bigger the free-market impacts will be.

But this downturn lays the seed for the next upturn: all the drill rigs, trucks, storage tanks, and all the other support equipment setting

in the auction yard off I-25 (and at other locales across our county), are the lowered-cost opportunities for smaller or new exploration companies and drill-rig operators, to get the equipment they need at lower-than-usual costs. And when they’re looking for employees, according to the numbers listed in your article above, there’s a ready pool of at least 1,016 laid-off O-&-G workers available — with likely hundreds more to come from Anadarko, Encana, Halliburton, and Southwestern.

Notice how quickly the bigger players make their bigger ‘adjustments’. For all of them, it’s all about maximizing their return-on-investments. When the market-price they get for their crude oil approaches their costs of production to get it, they quit and will wait for market profitability to improve for their investors. Their employees, equipment, and offices are just costs to reduce or eliminate.

Let’s hope those laid-off workers took advantage of the good times, and saved as much of their earnings as possible for future harder times.

Anybody who expected the ‘boom’ cycle to continue indefinitely is delusional. And they’d better apply for the unemployment compensation to which they’re entitled. But hold on — ‘contract’ workers typically don’t get such compensation, and how many oil-patch workers are ‘contract’ workers? Got to keep that cost of labor as low as possible. And wasn’t Weld County one of the few counties who wanted to ‘secede’ from Colorado a few years ago? If that had happened, how well would all of the newly laid-off workers do, trying to get unemployment compensation from a much-smaller pool of such funding from the State of Weld?

This isn’t the first time Colorado — and the US — have gone through these boom-&-bust cycles in the oil-&-gas industry. I had to make personal adjustments and cuts after the prior two. Time to tough it out. After all, we’re still seeing increased production from fewer wells — almost a 33% increase from 2014 to 2015! It may not be as much of an increase for 2016, but there will still be plenty of oil for the world-wide market.”

ENRICHING COMMUNITIES



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