

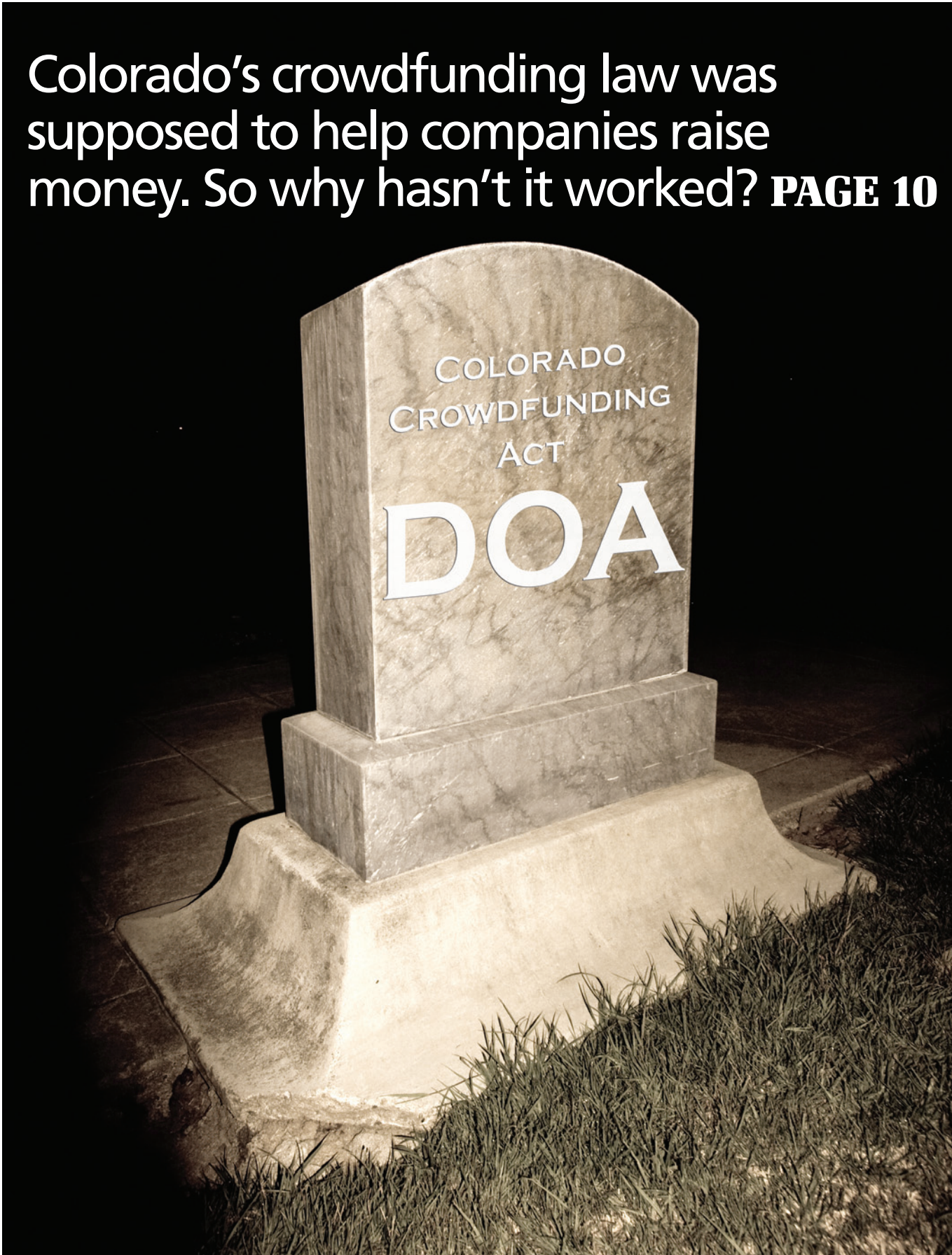
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THE BUSINESS JOURNAL OF THE BOULDER VALLEY AND NORTHERN COLORADO

VOLUME 35 | ISSUE 15 | JULY 8-21, 2016

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 October 5  
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Fred Diehl, Erie town official

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IMAGES COURTESY UQM TECHNOLOGIES INC.

UQM Technologies Inc. current offices in Longmont. Below right is the UQM HD 220 250 950 PowerPhase System. According to UQM's website, this system consists of a high performance liquid cooled permanent magnet motor and a high-power, liquid-cooled inverter with a full-featured digital signal processor controller.

## UQM to sell controlling stake to Hong Kong group

By Joshua Lindenstein

jlindenstein@bizwestmedia.com

LONGMONT — Electric-motor maker UQM Technologies Inc. (NYSE: UQM) has struck a deal to sell a controlling stake in the company to a subsidiary of Hong Kong-based Hybrid Kinetic Group Limited for \$48 million in cash.

The deal will help Longmont-based UQM, which will continue to operate as a standalone company, continue to gain a foothold in China, where it expects much of its future business to come from. Last fall, the company announced a 10-year supply contract with Chinese firm ITL Efficiency Corp. that could provide \$400 million in revenue for UQM over the life of the deal.

In a regulatory filing made Tuesday, UQM officials said the company's headquarters will remain in Longmont for at least three years following the close of the transaction, as will primary research and development efforts. But UQM chief financial officer David Rosenthal said in an interview that company officials anticipate maintaining the local headquarters, research and development and manufacturing for the Americas and other parts of the world besides China well into the future, adding that he expects the new deal with HKG to be a job creator locally.

UQM employs 50 people, all at its 130,000-square-foot facility at 4120 Specialty Place, which is technically in an unincorporated portion of Weld County.

While some of the new cash infusion will be used to build a 30,000- to 40,000-square-foot manufacturing facility in China by 2018, the money will also be used to expand UQM's global presence in other parts of the

world.

"We expect that we're going to be adding more manufacturing and engineering talent here in Colorado," Rosenthal said.

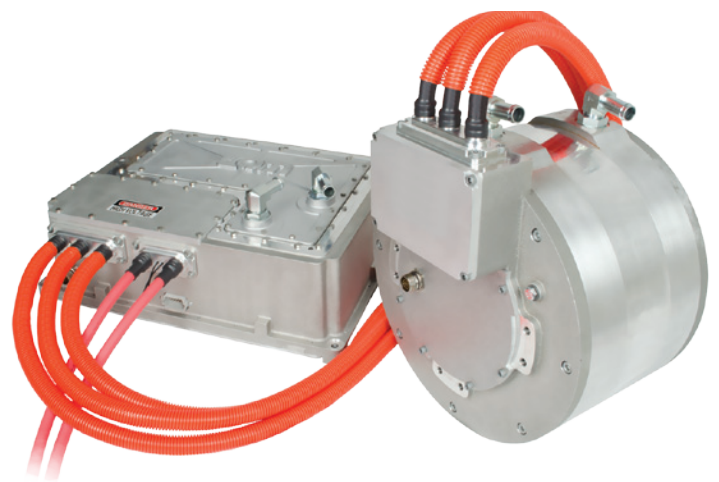
UQM's current management will remain in place at least through their existing employment contracts that terminate on June 30, 2017. UQM's board, meanwhile, will expand to nine directors, including five nominated by the buyer, UQM's CEO and three of UQM's four current independent directors.

The deal, expected to close within four to six months, is subject to approval of both companies' boards, as well as various regulatory approvals, including by the Committee on Foreign Investment in the United States for the controlling investment by a foreign-controlled entity. Two-thirds of UQM common stockholders also must approve the deal.

Under terms of the deal, HKG subsidiary American Compass Inc., will buy 66.5 million newly issued shares of UQM common stock for 72 cents per share, a 6.4 percent premium over the average trading price for the 90 days ending June 27. That will amount to 58 percent of UQM's common stock, or about 54 percent on a fully diluted basis.

UQM shareholders will continue to hold their shares in the company, and UQM stock will continue to trade on the New York Stock Exchange.

UQM's product is a multi-faceted electric propulsion system — targeted mostly at light-duty trucks, vans and heavy-duty transit buses — that includes motors, inverters and software. The company reported revenue of \$5.3 million and a net loss of \$6.9 million for its fiscal year that ended



March 31.

While a majority of UQM's business today comes from the United States, Rosenthal noted that China is the world's largest market for electric vehicles. He said the company has known for years that to be successful it would have to have a presence in China, and also that it would be difficult to do that without help.

Rosenthal said UQM officials have been seeking some sort of strategic partner for a couple of years, eyeing three main criteria for a partner, those being capital, the infrastructure to help build a manufacturing plant in China, and connections in China to help UQM gain access to a customer base there.

"It has been a very long and thoughtful process," Rosenthal said.

While the overarching focus of seeking such a deal was to gain a foothold in China, UQM also had made a commitment to ITL to start manufacturing in China by 2018.

"This gives us a path to do that," Rosenthal said.

He said the first place proceeds from the sale will be deployed is in

building and equipping the China plant, which will take roughly \$10 million. He said money also will go toward expanding R&D efforts on new-product development and on expanding marketing activities in new places around the world.

He said the company has plenty of room to grow at its Longmont facility.

Founded in 1967 as Unique Mobility Inc., the company is a veteran of the electric-vehicle industry that has been through several iterations of itself.

The company had grown to about 100 employees in 2013 when it took a major hit from the bankruptcy of California-based electric-car manufacturer CODA Auto. UQM had contracted to build thousands of propulsion systems for CODA's passenger cars, ramping up and spending heavily on inventory. CODA's collapse subsequently has led to tough times for UQM in recent years as the company has tried to recover.

*Joshua Lindenstein can be reached at 303-630-1943, 970-416-7343 or jlindenstein@bizwestmedia.com. Follow him on Twitter at @joshlindenstein*



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# Town board, voters to mull Estes Park Loop report

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.

ESTES PARK—A controversial \$17 million plan to turn three downtown Estes Park streets into a one-way loop remains the best way to aid visitor access to Rocky Mountain National Park and solve floodplain issues, according to the long-awaited federal environmental assessment of the proposed project that was released July 5. Now it's up to the public and town officials to read the voluminous document and weigh in — at a town board meeting July 12 and a public hearing July 20. There were “no show stoppers on any of the criteria they use,” said Estes Park Town Administrator Frank Lancaster, “but there is some mitigation needed. ... But it still comes out for the Loop as the preferred alternative.”

Posted July 5.

## Grocers drop bid for ballot measure on beer, wine sales

DENVER — Your Choice Colorado, the group spearheading the campaign to legalize full-strength beer and wine in the state's grocery stores, is dropping its effort to place a measure on the November ballot

## NEWS DIGEST

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that would do so. The push, backed by major grocers such as King Soopers and Safeway, had faced stiff opposition from Colorado liquor stores and the craft beer industry. The decision to drop the ballot measure effort comes as Senate Bill 197 officially becomes law. SB 197 will allow grocers to begin selling full strength beer by 2019. They'll also be able to acquire up to 20 liquor licenses over the next 20 years, with the requirement that they must buy out the licenses of nearby competitors.

Posted July 1.

## Array BioPharma submits melanoma drug for FDA OK

BOULDER — Array BioPharma (Nasdaq: ARRY) submitted a New Drug Application with the U.S. Food and Drug Administration for the use of drug candidate binimetinib in the treatment of NRAS-mutant

melanoma. The submission is the first for Boulder-based Array, which has several drugs in the development stage. It comes on the heels of positive Phase 3 trial results for binimetinib that were released earlier this month. If granted, FDA approval of the first NDA could mark just the beginning for binimetinib, which is being examined in a pair of other Phase 3 trials.

Posted July 1.

## Bour leaves Innovation Center of the Rockies

BOULDER—Tim Bour left his job as executive director of the Innovation Center of the Rockies, a nonprofit entrepreneurial support organization in Boulder, to become a director for 4iNNO LLC in Cincinnati where he will help science and technology companies grow. Bour started his new job July 5. 4iNNO works with Fortune 100 companies and helps clients bring in new ideas from the outside to boost their revenue. Bour had been with the Innovation Center of the Rockies since September 2007. Bob Gill, chairman of the Innovation Center's board of directors, said an interim director will be chosen from the existing staff, and the board will begin a national search for Bour's replacement.

Posted June 28.

## Sierra Nevada, U.N. in talks about Dream Chaser missions

LOUISVILLE — Sierra Nevada Corp., a Sparks, Nev.-based company that has a space systems division in Louisville, is talking with an agency of the United Nations about using its Dream Chaser reusable orbital spacecraft to host payloads from U.N. member countries. Sierra Nevada had lost out on one big contract with NASA in 2014 for use of the Dream Chaser, but won one with the space agency in January. The new memorandum of understanding with the U.N.'s Office for Outer Space Affairs would define one or more low-orbital missions for the company's flexible space utility vehicle and transportation system.

Posted June 28.

## Pfizer plans shutdown of Boulder plant by '19

BOULDER — Officials for pharmaceutical giant Pfizer Inc. (NYSE: PFE) told Boulder employees that the company would be closing down its local manufacturing facility by 2019 and eliminating the 100-plus jobs there. The 50,000-square-foot facility at 4876 Sterling Drive came under Pfizer control following the company's \$16 billion acquisition of Hospira last year. Pfizer spokeswoman Joan Campion said no layoffs have occurred at the site, yet.

Posted June 22.

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# Sides still miles apart over Nine Mile Corner

By Jeff Thomas

news@bizwestmedia.com

ERIE — Neither side appears to be closer to resolution in the border war between Erie and Lafayette, as stonewalling, accusations and rewriting history have become the order of the day.

“Lafayette launches a smear campaign against Erie under the guise of an ‘investigation,’ and most recently they have decided to expend their taxpayers’ dollars to test the limits of eminent domain in Colorado,” claims Fred Diehl, assistant to the Erie town administrator. “Bottom line is they just don’t want us to develop and have been throwing everything (including the kitchen sink) in our way to try to deter us.”

At the heart of the matter is Nine Mile Corner, on the southeast corner of U.S. Highway 287 and Arapahoe Road, which has both history and a history between the two municipalities.

Following World War I, members of the American Legion wanted to construct a gateway over Arapahoe, the main drag to Boulder before the construction of U.S. 36, and named it the “Road of Remembrance.” Today, two stone pillars remain at the intersection, named Nine-Mile Corner because that was the distance to Boulder.

While the Great Depression and another world war put many of the roadway plans aside, a lot has happened more recently to create a history between Erie and Lafayette.

When Erie annexed land at the northeast corner of the intersection before the turn of this century, which became the site of a strip mall anchored by a Safeway store, it kicked off what many feared would be a full-out annexation war. The Boulder County Commissioners helped workout an Intergovernmental Agreement between the two municipalities, which expired in 2014.

Before that occurred, however, Erie already had purchased Nine Mile Corner in 2012, using urban renewal funds and soon after announcing its intention to pull out of the Super IGA between Boulder County municipalities. While things may have been tepid between the municipalities since then, they heated up dramatically this spring.

“We believe that a substantial buffer between the municipalities is important,” said Lafayette Mayor Christine Berg. She noted that Erie has plans to become a city of as much as 60,000 residents, while Lafayette plans its city will be fully developed at 35,000.



COURTESY EVERGREEN DEVELOPMENT

A rendering presented last year to the town of Erie expresses Evergreen Development's vision for Nine Mile Corner. The tenants shown are conceptual and do not indicate any pre-leasing.

“Erie and Lafayette have had very different visions on development for a decade,” she said. “I think, as the communities continue to grow, we’ll see there’s more of these things.”

Lafayette Beacon Hill residents, whose homes border the Nine Mile development, largely have thrown in the towel, believing that the development is inevitable.

“We will continue to press for consideration, just to hope that we can get consideration,” said Jeanne Stratton, one of the founders of Quality Lafayette in 2012, a group opposing the development of the property. “There are a lot of neighbors here who have some really hard feelings here, but the current (Erie) Mayor (Tina Harris) is not to blame for that. I think she is doing her best to balance the interests of everyone.”

While the Erie board has continued to say the property will be developed, there seems to be some consideration of at least some buffer between the mixed retail/residential development and Beacon Hill, including statements by the developer Erie has brought on board, Evergreen Development. Principal Tyler Carlson of Evergreen’s Denver office has said the center likely would have a grocer as an anchor tenant, but added that he also would be working with existing residents as a master plan develops for the 45-acre property.

While much of the press has cited Lafayette as being ready to use eminent domain as a tool to fight the Erie development, there is no mention of that in the resolution the board adopted. The attorney the town designated — John Putnam of Kaplan, Kirsch & Rockwell of Denver — actually refers

to representing public interests on a “wide range of environmental, energy and transportation issues, including public utilities laws, the National Environmental Policy Act, air quality, climate change, noise, transportation regulations and natural resources,” on his web site.

Quality Lafayette studied the legality of using urban-renewal funds for the purchase and development of what was a rural property containing a drained reservoir and a horse farm.

“As it turns out, urban renewal is used in this way all across the state. They can find a crack in the sidewalk and call it blight,” Stratton said. “We looked at every angle we could find, but the law is complicated and, because they owned the reservoir, they were able to pull it off.”

In the early 2000s, Erie was called on eliminating wetlands here without replacing the lost resource, which ended in a minor fine but may have hastened the exit of the town administrator.

Stratton said she and her neighbors hope the lost wetland areas are addressed, along with concerns about drainage and possible flooding. But what has both Beacon Hills and some Erie residents — especially those in nearby Arapahoe Ridge — concerned is traffic.

Neither Erie nor Lafayette has specifically addressed traffic concerns on Arapahoe and Baseline roads, although significant concerns already exist without adding another shopping center to the mix. Both municipalities have said they are working with the Colorado Department of Transportation, although Berg noted that Boulder County wants nothing

to do with expanding the two-lane Arapahoe Road between U.S. 287 and Colorado Highway 42.

If keeping a separation between the two municipalities was so important, why didn’t Lafayette or Boulder County move to purchase the property? Neither Lafayette officials nor county Open Space Director Ron Stewart returned calls on the matter.

Lafayette also is moving ahead with more plans on the western side of 287 along Arapahoe, which Diehl said is inconsistent with seeking rural preservation — perhaps only seeking preservation where Erie can develop. He cited emails between Boulder County Commissioner Cindy Domenico and Lafayette City Manager Gary Klaphake as pointing to possible collusion between the two organizations, although these emails started well after Erie had purchased the property and mostly continued after Erie decided to opt out of the IGA.

“Lafayette wanted out — but they didn’t want Erie to opt out because that would leave us free to compete for commercial/retail opportunities along 287,” wrote Diehl in an email.

“The fix was in. The county knew Lafayette was leaving but never bothered to tell Erie because they wanted Erie to continue to be restrained by the Rural Preservation restrictions.”

Meanwhile administration members of Lafayette and Erie haven’t met in several years, although elected officials seem to be less onerous about the situation.

“Certainly I’m optimistic. There has to be a resolution to everything,” Berg said. “How that transpires, I guess, is the big question.”



# Big support for small businesses in downtown Erie

**A** revitalized historic downtown had been a community aspiration for decades. That's why a few years ago, the town of Erie set out to create a downtown that provides a genuine small-town feel with all the reassuring qualities that implies — a family-friendly neighborhood full of thriving businesses and loaded with activities and special events. So when a local family decided to turn our old fire station into Echo Brewery, we had a hunch we were onto something.



**ERIE VOICE**  
PAULA MEHLE

The town of Erie's "Fire Station to Brewpub Civic Building Reuse Project" is to date our best example of a successful public/private partnership that has served as a catalyst for further downtown retail business development, which in turn attracts a greater number of visitors.

Located on the most prominent corner of historic downtown Erie, the 2,500-square-foot building (what also has been referred to as a garage with a restroom) originally was constructed in 1969 and served as the community's only fire station until 2002. In August 2013, the Board of

Trustees approved a Lease/Purchase Agreement with Echo Brewery and just over a year later Echo celebrated its grand opening. This project preserves and enhances the unique character and vitality of Erie's historic downtown commercial core while simultaneously converting an underutilized building into a community gathering space.

The town's first public/private partnership with a downtown business did not go unnoticed, rather it was a signal to others that their decision to invest in Erie would be supported. (Other businesses include: Industrial Revolution Brewing Co., Old Mine Cidery, Sweets Ice Cream & Bakery, 24 Carrot American Bistro and Gaucho de Argentina Empanadas.)

It is gratifying to watch as our investment in downtown is paying dividends. True, some of the payback is represented in sales tax revenue, but in a much larger sense we have activated a once-neglected community neighborhood, resulting in a return on investment that goes beyond revenue generation.

Now that new storefronts have opened up, how do we keep the momentum going? That's the question that our small businesses — the entrepreneurs who have a real stake in downtown Erie's continued suc-

**"The town's first public/private partnership with a downtown business did not go unnoticed."**

cess, ask us. The answer? Continue to develop, program and market downtown as a destination.

We're doing just that. In 2015, the town contracted with a new vendor with a proven track record to reactivate the Erie Farmers Market in the historic downtown. Attendance during the inaugural year necessitated an expansion to a second block in downtown for the 2016 market. Foot traffic has since increased dramatically drawing residents to the rejuvenated area to discover the new restaurants and brewpubs that are putting life back into the neighborhood.

This year, we kicked off the Downtown Neighborhood Block Party, a new venue created as a community-building event centered in downtown Erie for all of our residents to enjoy while at the same time promot-

ing local businesses, restaurants and breweries. The block party actually is a series of family-friendly events scheduled for three Fridays in July.

With an eye on the long term, the Board of Trustees recently approved the development of a Downtown Redevelopment Framework Plan to address the needs of Erie's Historic Downtown Business District including a design concept for Coal Creek Park. DHM Design, previously hired by the town in 2013 to begin this process, is responsible for project deliverables including conceptual site plans and land-use diagrams that will address three key elements: critical mass, connectivity and identity.

Those of us who work in economic development understand the need to provide small businesses with ongoing support, whether that be through 24/7 access to online information at [erieco.gov/bizguide](http://erieco.gov/bizguide), partnering with the Small Business Development Center or hosting regular meetings to connect entrepreneurs with resources. But when you set out to bring new life to your old downtown, we know it doesn't just stop there. It takes something more.

It's an exciting time for business in Erie — especially downtown!

*Paula Mehle is economic-development coordinator for the town of Erie.*

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# Wading through challenges to rebuild park



CHRISTOPHER WOOD/BIZWEST

Damage to Riverside Park in Evans remains nearly three years after the devastating September 2013 flood.

By Elizabeth Gold  
news@bizwestmedia.com

EVANS — Referring to the process of rebuilding Riverside Park as “complex” is an understatement, according to Kristan Williams, communications manager with the city of Evans.

“‘Devastated’ is the only word that completely captures what happened,” she said, referring to what was left after Colorado’s 2013 flood.

To rebuild a park that meets Federal Emergency Management Agency and Environmental Protection Agency requirements alone is presenting challenges that keep the city more than busy with the \$14 million to \$16 million project.

Matching dollars, protecting people and the environment from what the flood uncovered and developing a park that can withstand future floods continue to top the list of priorities.

The finished result is expected to be open in early 2018.

To date, eight grants that total \$11.2 million have been approved to cover

the cost of rebuilding Riverside Park. The city is required to match about \$760,000 of that.

“The city of Evans just doesn’t have that kind of money sitting in its coffers,” Williams said, adding that money that’s been granted isn’t money the city gets upfront. Also, if any work is done that doesn’t go through the lengthy approval process, the money never will be reimbursed.

With an additional \$2.8 million to \$4.8 million still needed to fund the project, Evans continues to seek grants. “GOCO gives grants out every year, and if we don’t get enough, it means that some things just don’t get put back,” she said.

Reducing amenities such as concessions could be the result if the dollars don’t come in.

In addition to the widespread devastation Evans and much of the rest of the state experienced because of the September 2013 flood, a berm breach along the South Platte River allowed rising waters to carve out a new path.

“The water continued to flow in

and didn’t recede, uncovering a non-certified, nondocumented landfill,” Williams said. “It’s not uncommon because in the ‘50s and ‘60s, people used to dump old refrigerators down by the river. That’s just what they did.”

Unfortunately, debris from the landfill spread all over the 100-acre park. Making sure the cleanup meets state, FEMA and EPA safety guidelines and protects residents as well as the environment has added another layer to the renovation project.

Because of this and other environmental impacts, Williams quoted James Redmond, the state recovery liaison, as saying: “You are working on the most complicated environmental analysis in the state of Colorado right now.”

It’s these additional impacts that are stretching the park rebuilding project out so far, she said. “It’s not what people think — that we should be able to just put on a pair of gloves and clean the area up.”

Residents have at times misunderstood the process of putting the park

**“It was the least damaged and is a lovely and quiet place.”**

Kristan Williams, city of Evans

back together, Williams said. Rather than fencing the area off and putting the project on hold, it was fenced as a safety measure because of the potential health hazards as well as the physical terrain dangers.

“When things get wet, they expand, and when they dry, they contract,” she said. The process caused ground under Riverside’s sidewalks and ball fields to break through and leave gaping holes, pits and uneven surfaces.

“Floodwaters carved huge concrete slabs and dumped them in various places.”

Creating a park that will be flood resistant, one of FEMA’s requirements,



is as time-consuming as creating a park that appeals to the current public.

“It’s a given that there will be another flood at some point, so we have to be sure to allow for minimal property damage,” Williams said. “For example, you can’t put structures in the path of a flood, so the ball fields will be elevated.

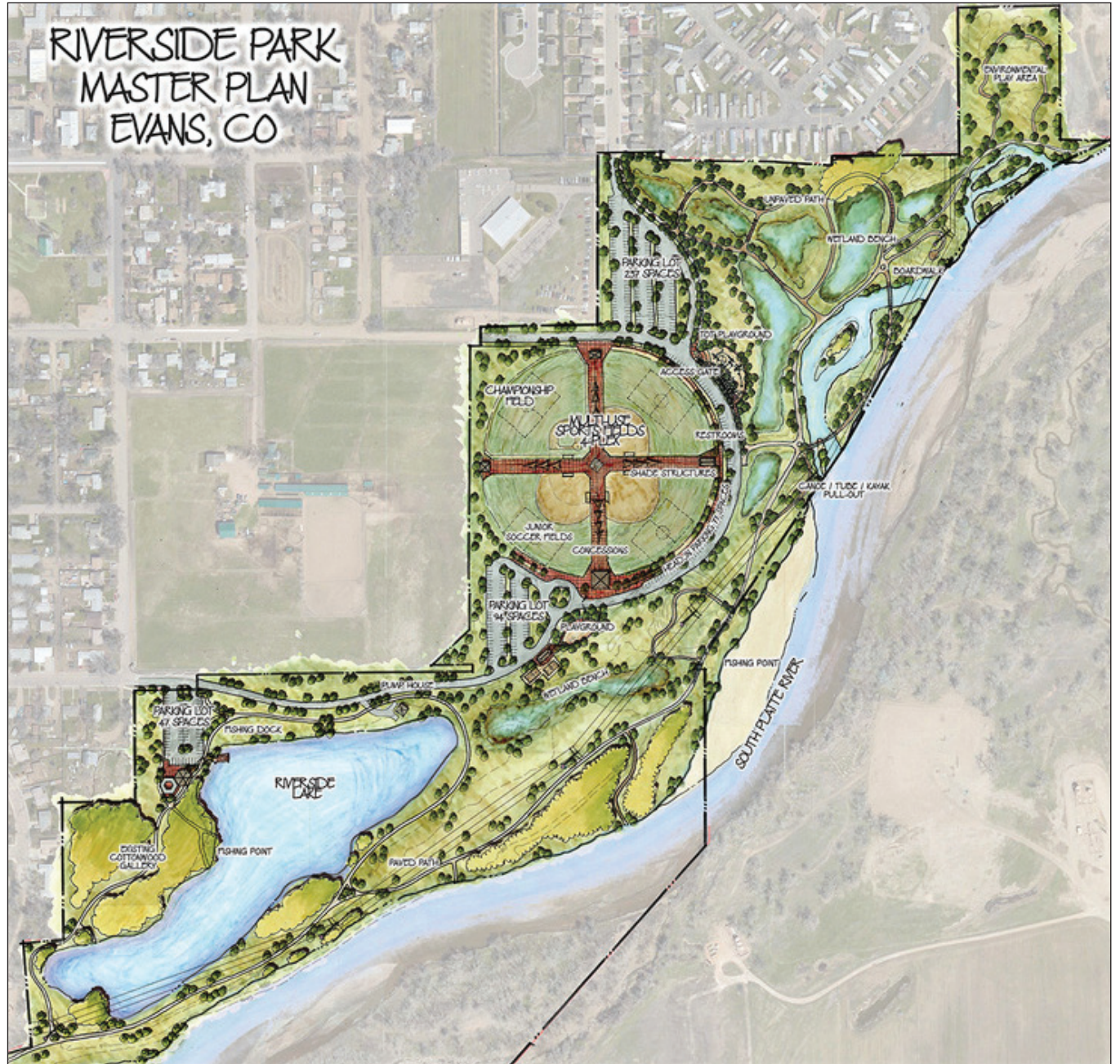
“We did the research and know where the water will want to go — and water will always win.”

With efforts and dollars from local businesses, Williams said, the lake in Riverside Park was cleaned up and opened for picnicking and fishing for the one-year anniversary of the 2013 flood.

“It was the least damaged and is a lovely and quiet place,” she said.

The next step in the rebuild is to finish the design and engineering. “We are currently at 60 percent,” she said. That phase should be completed in November, and then the city will put the job out to bid.

“The city is more eager to get the park open than anyone, and we recognize that residents are frustrated that it’s not open yet,” Williams said. “We’re very excited about the project and plan to get the funding and to do it right so we can have a fabulous amenity here.”



COURTESY CITY OF EVANS

Artist rendering of the proposed Riverside Park in Evans.



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JONATHAN CASTNER/FOR BIZWEST

Demetri Coupounas, founder of My Trail Co., has used a direct public offering to raise \$470,000 within Colorado, along with a crowdfunding offering at the federal level, raising an additional \$120,000 thus far. Coupounas said it's too early to determine whether another funding mechanism — the Colorado Crowdfunding Act — will work.

# Far from the funding crowd

## DESIGNED TO HELP COMPANIES GROW, STATE LAW HAS YET TO FULFILL PROMISE

By Christopher Wood  
cwood@bizwestmedia.com

Ray Burrasca spits out three initials to describe the Colorado Crowdfunding Act, the state's year-old equity-crowdfunding law that has yet to fund a single company: DOA.

"As far as I know, the state crowdfunding act was dead on arrival," said Burrasca, founder and organizer of Colorado Crowdfunding, a group promoting crowdfunding in the state, but who opposed the design of the new law.

Burrasca, who also serves as managing director for Windom Peaks Capital LLC, an investment-banking and financial-services advisory firm, described the act as "defectively designed," partly because it created no secondary market or exchange for sale of the securities, which he considered a critical flaw.

"When I discovered what they were up to, I actually started to lobby people at the state against the legislation," he said. "There is no activity under the state crowdfunding act, nor platforms

that are active under the state crowdfunding act,"

The Colorado Crowdfunding Act was signed into law by Gov. John Hickenlooper in April 2015. It allows crowdfunding efforts "through which investors can acquire debt or equity interests in a prospective company lawful in the State of Colorado," according to the Equity Crowdfunding page of the Colorado Division of Securities website.

Key to the measure are online intermediaries, essentially websites through which equity can be raised. Five companies initially filed with the Division of Securities to facilitate equity crowdfunding, including:

- **Colorado Equity Crowdfunding:** coloradoequitycrowdfunding.com
  - **EquityEats Inc.:** www.equityeats.com
  - **EzyXchange Ltd.:** www.ezyxchange.info
  - **MassVenture CO Inc.:** www.massventure.co
  - **Invest Local LLC.:** investlocalcolorado.com
- One of those websites, colorado-

### Colorado Crowdfunding Act

#### Key provisions:

Before a crowdfunding offering can proceed, the issuer must file various forms with the Colorado Division of Securities, part of the Colorado Department of Regulatory Agencies. Online intermediaries, through whom crowdfunding transactions will be conducted, must also file a form with the division. Online intermediaries are subject to certain limitations in their role in securities transactions and in how they are compensated in order to avoid running afoul of federal securities laws.

There are limits to how much capital can be raised and how much individual investors can contribute. The act states that the issuer of the securities can raise up to \$1 million. However, the cap can be raised to \$2 million if the business submits audited financial statements to the Division. Individual investors cannot contribute more than \$5,000. If an investor is accredited, the \$5,000 cap is removed. An "accredited investor" is defined under federal law, but is generally an individual whose net worth exceeds \$1 million or who has an annual income that exceeds \$200,000.

All aspects of the transaction must take place only between Colorado residents. Crowdfunding transactions that reach outside Colorado run the risk of violating federal securities laws. The Jumpstart Our Business Startups (JOBS) Act of 2012 technically made equity crowdfunding legal at the federal level.

Source: Colorado Division of Securities



equitycrowdfunding.com, redirects to a GoDaddy landing page, and others have failed to become fully operational.

“There have not been any offerings yet conducted through any online intermediaries,” said Colorado Securities Commissioner Gerald Rome.

He said there have been “problems with online intermediaries getting up and running,” and the state has been working with some of them to “help out on the issues.”

“I think that’s where the bottleneck is right now,” Rome said.

### Escrow rules pose challenge

One of the issues with the law has been escrow requirements that have proved difficult for the intermediaries, Rome said. An amendment to the Colorado Crowdfunding Act passed during the 2016 legislative session seeks to clarify certain escrow provisions.

“Escrow is still somewhat problematic, finding financial institutions that are willing to do that,” Rome said. “That’s one of the hurdles that are out there.”

Karl Dakin, owner of Dakin Capital Services LLC and a BizWest columnist, who supported the Colorado Crowdfunding Act, said it has several issues that need to be addressed, including the escrow provision.

“I intend to seek a modification of the Colorado Crowdfunding Act to remove the mandatory requirement for the use of an escrow agent and make the requirement discretionary with the Colorado Division of Securities,” he said. “This is the current structure under the Colorado Limited Registration offering, and I believe that is a workable solution.”

Rome said software has been one issue for the intermediaries, which might have to accommodate 100 or even a couple hundred investors.

“That kind of software is expensive,” he said, adding that it’s “a barrier for some of the intermediaries.”

Dakin agreed. One of his companies is Invest Local LLC — one of the intermediaries registered with the state and co-owned by Dakin, Dan Taylor and Lucas Marquardt.

“Discussions with local software developers led to estimates for developing a platform beginning at \$350,000 and higher,” he said, adding that of the platforms that already met the regulatory and technical requirements, “none wanted to divert their attention from their existing business plan to enter the market in Colorado.”

Invest Local in October contracted with a startup company that had intended to bundle its software company with a payment processor/escrow agent. However, that agent was not authorized to do business in Colorado, Dakin noted.

Invest Local since has entered into a “white-label” license with CrowdForce, based in San Diego, to provide “a customized platform to meet Colorado regulations and specific requirements,”

Dakin said Invest Local expects to be operational by Aug. 1.

Dakin sees another problem with

## Funding sources for entrepreneurs

Type	Dollar limit	Accredited or Nonaccredited	Residents of Colorado only	Dollar limit on non accredited	Intermediary required
Colorado Limited Offering	\$5,000,000	Both	Colorado Only	None	No
Colorado Crowdfunding Act	\$2,000,000 Audited \$1,000,000 Unaudited	Both	Colorado Only	\$5,000	Yes
Federal 506(c) — Regulation D	Unlimited	Accredited Only	N/A	N/A	No
Federal Reg A+	\$50,000,000	Both	N/A	Greater of \$2,000 or 5% of Net Income if Net Worth less than \$100,000 or 10% of Net Income if Net Worth above \$100,000	No
Federal JOBS Act May 14, 2016	\$1,000,000	Both	N/A	Greater of \$2,000 or 5% of Net Income	Yes

Source: Dakin Capital Services LLC

the Act as written.

“I also intend to seek modification of the minimum capital goal,” he said. “The Colorado Crowdfunding Act currently sets the goal at 50 percent of the maximum capital goal. This threshold fails to recognize that many businesses can make good use of investment dollars less than the minimum capital goal. The goal should be related to the business plan and ability to generate revenue and not set by formula.”

### Other options available

But, practical problems with requirements of the act aside, other factors might be restraining use of the new law, Rome said.

In addition to issues with intermediaries, software and escrow, Rome said, some entrepreneurs might have delayed using the Colorado Crowdfunding Act in order to instead explore the federal crowdfunding provisions of the Jumpstart our Business Startups — or JOBS — Act.

Additionally, entrepreneurs have other options for raising funds, including Regulation D offerings, direct public offerings and other structures.

Colorado allows direct public offerings, whereby securities can be registered and sold publicly. One company — and so far the only company — to have used the structure in the past five years is My Trail Co., headed by Demetri Coupounas.

Coupounas said MyTrail was not only the first company to use a DPO in five years but “the first ever online.”

He noted that My Trail currently has two offerings that are open. One is the DPO in Colorado, and the other is under Title III of the JOBS Act.

The DPO so far has raised more than \$470,000, he said, while the federal offering has raised \$120,000, with another \$20,000 in the pipeline. Both contain identical presentations, he said.

“I like them both very much in that they both allow you to present what

you have to present to the public,” he said. “They both have good and appropriate requirements about information that is shared with the public.”

Regarding the DPO, Coupounas said, “I was truly impressed with how Colorado was making you do everything that you ought to do.”

Regarding Title III of the JOBS Act, he said, “That whole process also is similarly solid and rigorous in the information that you have to present. It’s a good process that is not only allowing new, small enterprises to raise capital broadly but is properly protecting the public from not having good information on which to base one’s decisions.”

### What part is working?

Coupounas said one key difference between the DPO and federal crowdfunding is that, with the DPO, once you pass the threshold for what the minimum raise is, funding is immediate. With Title III, which My Trail offers through the Wefunder.com website, funds are not immediate.

He added that he undertook the federal crowdfunding because it offered an easy opportunity to reach investors from outside Colorado.

“Title III is working,” Coupounas said. “It’s up and it’s functioning, and it’s funding companies.”

He said that critics should not be too quick to discount the effectiveness of the Colorado Crowdfunding Act after just a year. He noted that the state law he has used — the direct public offering — hadn’t had a funding in five years.

“This is an innovative, fast-moving area of finance and business,” Coupounas said, referring to various forms of equity crowdfunding. “I’d be very cautious to say what vectors are going to work and which are not ... fine tune and fix whatever isn’t working.”

Rep. Dan Pabon, D-Denver, a key sponsor of the Colorado Crowdfunding Act, said he understands that four

or five fundings are in the pipeline under the law, including restaurant opportunities and “an organic grocery-store model in Westminster.”

He added that a good economy in Colorado means interest rates are low and that capital is fairly cheap and available, providing entrepreneurs with other options. Plus, he said, investors have many other options in terms of where to put their money.

But, he said, if fundings under the Colorado Crowdfunding Act continue at their current non-existent pace, it soon might be time to revisit the law.

“I think it’s a little premature, but if another quarter or two go by and no activities happen, it’s worth talking to the securities community and the investor community and find out what’s keeping you from using this opportunity,” Pabon said.

For his part, Rome said he thinks there’s still a role for the Colorado Crowdfunding Act.

“I think so,” he said. “It’s always been our position that when you’re raising money, \$500,000, a million dollars, it really is going to be a local effort.”

He said that a brewery in Boulder or Denver, for example, would find that “the interest in your company is going to come from the Denver-Boulder area. It’s going to come from your customers. In essence, to have some sort of regulatory oversight of that, it makes much more sense to do it on a local basis, rather than a federal basis.”

“We know that there are small businesses out there who are anxious and willing to try and raise money through Colorado Crowdfunding,” Rome added. “We’re still engaged with that community in trying to work through some of those issues and trying to make it happen.”

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**BW** BANKING & FINANCE

# Coffee shops to perk up new banks

By Doug Storum

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BOULDER — Capital One Financial Corp. has picked Boulder and Denver as its entry points into the Colorado market, but the bank's branches will be more like a co-working space/coffee shop combo rather than the traditional branch with a row of tellers.

Capital One, a subsidiary of Capital One Financial Corp. (NYSE: COF), will open its café concept at 1247 Pearl St. on the Pearl Street Mall in Boulder and in the Triangle Building at 1550 Wewatta St. in lower downtown Denver. Both are expected to be open by the end of this year, said spokeswoman Stacy Jones.

In the past 15 months, Capital One has opened Capital One 360 Cafés in New York, San Francisco, Chicago, Boston, Philadelphia and Los Angeles. The concept dovetails with the surge in popularity of office co-working spaces, which allow their tenants to work in a communal environment.

Please see **Capital One**, page 13



COURTESY CAPITAL ONE

A rendering shows the interior of a Capital One 360 Café, a new concept that combines a coffee-shop atmosphere with mobile banking. Capital One will open cafés in Boulder and Denver by the end of the year.

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**“(Banks) are installing self-service kiosks or video ATMs that provide the opportunity to chat with a remote teller.”**

Byron Vielehr, Depository Institution Services



RYAN LAUNDENBACH



MIKE KRAJANOWSKI

and George Karakehian, who own the building through Tebo/Karakehian LLC. The bank/café will occupy all of the first floor of the historic building that in 2014 was vacated by the Boulder Café.

*Doug Storum can be reached at 303-630-1959, 720-838-7829 or dstorum@bizwestmedia.com.*

**Capital One**, from 12

“We’ll wait and see how the cafés do in Boulder and Denver, and then assess where else in the state we might open,” she said.

Banks nationwide are searching for ways to meld mobile technology into their branches in the hope of growing customer bases while reducing costs.

Byron Vielehr, president of the Depository Institution Services group for Fiserv, which provides technology solutions for banks and financial institutions, said some branches are “unshackling” tellers from the counter and giving them tablets so they can meet with customers.

“Banks will be looking to connect the digital experience to the branch experience,” he said. “They are installing self-service kiosks or video ATMs that provide the opportunity to chat with a remote teller.”

Capital One is going a cup further. For coffee lovers, California-based Peet’s Coffee & Tea Inc., which already has shops in Boulder and Denver, has contracted with Capital One. Peet’s will have baristas on hand to operate the coffee shop, where people can camp out and use free Wi-Fi.

Bank customers will have access to touch-screen monitors to make deposits to checking and savings accounts, a no-fee ATM for withdrawals, and access to “Café Ambassadors” who can help them use their own mobile devices to access online information about loans, credit cards, money market accounts and certificates of deposits. The ambassadors will be armed with iPads to handle transactions face-to-face rather than from behind counters.

“We are reimagining banking through this concept,” said Ryan Laundenbach, Capital One’s market lead in Boulder. “It’s a friendly environment where people can come in, buy a coffee, sit down in a soft chair and have a conversation. You don’t need to have a Capital One account. Our ambassadors will be available to answer financial questions and explain what Capital One has to offer.”

Mike Krajanowski, Capital One’s business development lead in Denver, said another feature of the concept is meeting space.

“We want to become a community hub. ... We want to form relationships with local groups to use the space, such as yoga classes,” he said. “We are open to almost anything. We also will be offering financial education in the space.”

Capital One is leasing 4,600 square feet from landlords Stephen Tebo





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# Mission vs. profit: Your company can have both

You're on a mission to achieve great things in your business, even to change the world. But the truth is that you spend more time worrying about how the economy is doing, and whether you'll be able to make enough money to survive.

There's hope for you!

The first question to ask yourself is: How essential is your mission to your business success? If you have a business model that just glues your altruistic motives on the side, then it's easier to sacrifice them when money gets tight.

Toms Shoes has a business model where they send one pair of shoes to a needy child for each pair sold. As margins get tight, it might be possible to stop the donations or delay them.

This company, though, is so dedicated to the mission that it publicly declares to customers that this is one of the reasons you should buy its product. Sure, it gets some points with customers, but it also makes the altruism much harder to change. Toms might lose its entire competitive edge, so it has to look for creative alternatives when times get tough. But it doesn't sacrifice its mission.

Another great question is: How seriously are you measuring progress on your mission?

We all measure the financials down to the penny. You monitor customer acquisition and customer loyalty. Are you as serious about how we're going to change the world? If you aren't measuring it, there's a good chance it will get "optimized away" when the tradeoffs get hard.

I was working with the owner of a small consultancy, just three employees. His ambition is to change the way the entire market thinks about how his area of focus, not just the clients he works with.

The good news is that he has some broader outreach programs which are quite impressive. But when I look at what he's measuring, it's mostly internal: revenue, profit, number of customers, expenses, and so on. It's much harder to see if he's moving

the needle on changing the way the broader world thinks.

The third question is: How deeply embedded is your mission into your team? The ideal is that they're so passionate and engaged that they'll continue it even if you disappear. They'll be looking for opportunities to deepen the impact and show extra initiative.

More often, the business owner is fully invested and tries to keep the dream visible to senior leaders. But it just sort of disappears after that.

Putting the same words on your PowerPoint slides once a quarter just doesn't cut it.

Your challenge is to create daily discussions around your mission throughout the entire organization. Powerfully articulating it helps. Putting measures in place helps. Training your managers helps. But in the end, it just comes down to constant discussions interleaved with all the other day-to-day activity.

My fourth question is: Do you anticipate the challenges you'll have making tradeoffs between your mission and the money?

Suppose you have a yearly cycle where things are great up through December, then customer revenue dries up after the new year and times get tough. This has happened for several years, so the chances this will happen again

next January are high. What happens if you wait until January to work on it? Well, all you can do is react at that point. So you put people on reduced hours and engage in a lot of belt-tightening exercises. What happened to your mission? It's on hold until your customers return.

You'll probably be very busy during the holiday season, so won't have a lot of time for reflection. So what are you doing now, while things are slower? Now is the time to be working with your team to figure out how you'll continue progress on your mission, and won't sacrifice your values, when times get tough in January.

That's just a great business practice anyway. The more time you have to think and plan, the more options you can explore.

*Carl Dierschow is a Small Fish Business Coach based in Fort Collins. His website is [www.smallfish.us](http://www.smallfish.us).*



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**“If you have a business model that just glues your altruistic motives on the side, then it's easier to sacrifice them when money gets tight.”**



**BANKING BRIEFS****Merger complete, Western States Bank launches new branding**

The merger of First Express of Nebraska, the holding company for Western States Bank and Valley Bank and Trust Co., with First Wyoming Bancorp., the holding company for Wyoming State Bank, has been completed. The merger, announced Jan. 7, combines Western States Bank, Valley Bank and Trust Co., and Wyoming State Bank for a total of \$57 million in equity and \$525 million in assets. The new bank's 14 branches will operate under the name Western States Bank. Western States Bank's two branches in Fort Collins and one in Loveland, held a customer and community celebration day during bank hours June 30. The banks other branches are in western Nebraska and Wyoming. In January, Western States Bank launched the website WSB.bank, one of the first banks to register a .bank domain, which is said to provide more security than a .com address.

**New Bank of Colorado ITMs let customers chat with teller**

Bank of Colorado has begun rolling out new ITMs that allow customers to chat live via a video feed with a bank teller who works at a remote site. The Fort Collins-based bank's first ATM Live-Interactive Teller Machine, or ITM, is in the lobby at 204 E. Fourth St. in downtown Loveland. The bank plans to roll out 10 more this year, including one in Paonia the week of July 11, followed by one in Windsor. Initially, customers will be talking live with a teller in Texas, but soon will be connected with a teller in Fort Collins. The ITM in Loveland had been operating since mid-June, but the bank waited until July 5 to make the announcement to "get the bugs worked out." The bank will host a ribbon-cutting ceremony at the new ITM at noon, Tuesday, July 12. Bank of Colorado has a branch bank at 1888 W. Eisenhower Blvd. in Loveland. The ITM is activated with a driver's license. When connected to a live teller, an ATM card or a personal identification number is not required. The

live teller function will be available from 7 a.m. to 4 p.m., Monday through Friday. It also can be used as a standard ATM machine.

**Mortgage performance improves in first quarter**

Performance of first-lien mortgages improved during the first quarter of 2016 compared with a year earlier, according to the Office of the Comptroller of the Currency's quarterly report on mortgages. The OCC Mortgage Metrics Report, First Quarter 2016, showed 94.9 percent of mortgages included in the report were current and performing at the end of the quarter, compared with 94.2 percent a year earlier. The report also showed that foreclosure activity has declined. Reporting servicers initiated 58,921 new foreclosures during the first quarter of 2016, a 29.1 percent decrease from a year earlier. As first-lien mortgage performance improves, the need for other loss mitigation actions declines. Servicers implemented 34,481 mortgage modifications in the first quarter of 2016. Eighty-seven percent of the modifications reduced borrowers' monthly payments. The first-lien mortgages included in the OCC's quarterly report comprise 38 percent of all residential mortgages outstanding in the United States or about 21.1 million loans totaling \$3.6 trillion in principal balances. The report provides information on their performance through March 31 and can be downloaded at occ.gov.

**U.S. House Republicans kill marijuana banking amendment**

Colorado's marijuana shops will have to continue accepting only cash for grass after a budget amendment was killed by Republicans in the U.S. House of Representatives. The amendment would have prevented federal regulators from penalizing financial institutions that worked with legitimate marijuana businesses. Advocates of the legal marijuana industry have argued that making banks accessible to their businesses is a necessary step in legitimizing the industry and decreasing the amount of crime attracted to the cash-only pot shops.

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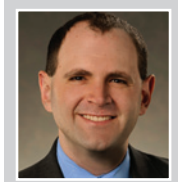
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#### Recent Changes to R&D Tax Credit a Boon for Early-Stage Startups

For 35 years, the Credit for Increasing Research Activities has provided tax incentives to companies spending capital to develop or improve their product offerings. While the credit has provided billions of dollars in tax savings each year, early-stage companies have often been left out. This is because the credit didn't provide immediate savings for companies with no tax liability (as is common with early-stage companies) and it could not be used to offset the Alternative Minimum Tax.

These problems were largely resolved as part of last December's Protecting Americans from Tax Hikes Act. Under the new law, qualified small businesses can use the credits to offset a portion of their payroll taxes, which allows pre-profitable employers to benefit. The new law also allows the credit to offset AMT for certain small businesses.

If you haven't looked into this credit in the past, now is the time to schedule sit down with a qualified CPA to take a second look. I would be happy to meet with you to review options.



Mark E. Lumsden, CPA  
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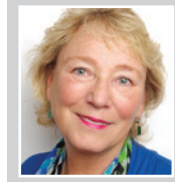
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### INSURANCE

#### The Importance of a Personal Umbrella Policy

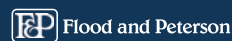
Distractions while driving can occur everyday and seem to be everywhere; this can include text messages, phone calls, a quick meal on the road, all of which interrupts a driver's attention. Have you thought, "What would happen if a distracted driver caused a serious accident? Would their insurance be enough to cover all damages and injuries?" The answer is more than likely "no."



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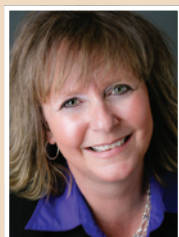
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# Boulder average single-family home price tops \$1M

In the first five months of 2016, the average sale price of a single-family home in the city of Boulder was \$1,018,458, according to data collected from IRES. This is a new high-water mark for Boulder and raises important questions for the city's future.

There are myriad reasons that home prices have risen so high in Boulder, but the bottom line is that there is an imbalance between supply and demand, with far more people wanting to live here than there is housing to support them.

On the demand side, Boulder is well known for providing an unmatched quality of life with plentiful jobs and a highly educated workforce. These forces driving demand seem to only be getting stronger. On the other side, however, many of the features that provide the high quality of life — thousands of acres of open space, restrictive growth and zoning policies, building height restrictions, etc. — are the same ones that artificially restrict the supply of housing and thus drive prices up.

Real estate prices are cyclical, and tend to rise in the first half of the year before subsiding somewhat with the approach of fall and winter, so the historical trends suggest that the average price may fall back below \$1 million at some point before the end of 2016. That said, however, the more general trend of rising home prices in the city of Boulder is likely to continue and average prices are likely to be even higher a year from now.

Breaking \$1 million is a significant milestone for Boulder property, and not necessarily a good one.

First, the good news. For current Boulder homeowners, this likely

means that you have enjoyed hefty home-price appreciation if you have owned your home for any significant length of time. If you have a mortgage, now may be an ideal time to refinance, especially since the Brexit turmoil has resulted in even lower mortgage rates. The next year also likely is a great time to sell your home and capture all of that appreciation.

The bad news, however, comes if you would like to stay in Boulder and join the ranks of buyers looking to purchase a home here. For buyers, lack of affordability and inventory are two major obstacles. Unless something is done to address these issues, things likely will only become more challenging as demand for Boulder housing does not appear to be diminishing.

My current advice for buyers remains the same: Get into the market as soon as you can, if you can.

It appears the robust demand for housing in Boulder will continue unabated, so unless steps are taken to address the issues related to

lack of supply, Boulder home prices likely will continue diverging from affordability. While some supply-side obstacles such as Colorado's condo-construction defects law may not be adequately addressed at the local level, others could be ameliorated locally in ways that preserve Boulder's charm, character and

livability while creating abundant housing and sustainable infill.

As we acknowledge an impressive milestone in Boulder housing prices, perhaps it also is time for more conversations such as the ones that took place in Boulder at the country's first-ever YIMBY conference in June (see yimbytown.com for more on this).

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



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**“For buyers, lack of affordability and inventory are two major obstacles. Unless something is done to address these issues, things likely will only become more challenging as demand for Boulder housing does not appear to be diminishing.”**

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# Luxury-home brokerages in Boulder combine forces

By Doug Storum  
dstorum@bizwestmedia.com

BOULDER—Residential real estate agency Bodin Realty International in Boulder has been acquired by LIV Sotheby's International Realty, establishing a second office in Boulder for the brokerage of luxury homes.

Financial terms of the deal were not disclosed.

Bodin Realty International's office in the Twenty Ninth Street retail district in Boulder will operate as LIV Sotheby's International Realty, in addition to LIV Sotheby's office on Walnut Street in downtown Boulder, said David Carner, LIV Sotheby's International Realty Boulder's vice president and managing broker. The merger creates an agency with 30-plus brokers.

Jim Bodin, 74, co-founded Bodin Realty in 1966, which became Coldwell Banker in 1984 and later became Bodin Realty International, an independent residential real estate brokerage marketing luxury homes in Boulder County worldwide. Bodin declined to discuss the acquisition.

A top-selling Realtor in Boulder for 50 years, Bodin will be a broker associate at LIV Sotheby's. Brokers and staff at Bodin's have been given the opportunity to join Sotheby's. Carner said most of Bodin's 24 brokers have made the transfer. There are 14 bro-



COURTESY LIV SOTHEBY'S INTERNATIONAL REALTY BOULDER

David Carner, left, vice president and managing broker of LIV Sotheby's International Realty Boulder, poses for a photograph with Jim Bodin, co-founder of Bodin Realty International. LIV Sotheby's has acquired Bodin Realty International.

kers in LIV Sotheby's office on Walnut, he said.

Carner has had a close working relationship with Bodin for 24 years. Carner joined Bodin as a broker associate with Coldwell Banker Bodin Realty in 1992, and was the manager of The Bodin Team from 2002 through 2008. After serving six years as a business consultant to the Coldwell Banker brand, Carner returned to Boulder to lead the Boulder operation of LIV Sotheby's International Realty.

"I am honored and humbled that Jim Bodin has chosen to entrust LIV

Sotheby's International Realty with the continuation of his great 50-year legacy," Carner said. "Throughout my career in Boulder, Jim has been a personal role model for doing business right. The company he has built reflects those values that I found so attractive, and joining forces with his brokers really is a perfect fit for our plans to grow and serve the Boulder luxury market."

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

## Owner of Boulder, Longmont office parks launches new fund for growth in Colorado

By Joshua Lindenstein  
jlindenstein@bizwestmedia.com

BOULDER — Texas-based Goff Capital Partners, which owns business parks in Boulder and Longmont, has merged operations with affiliated firm Crescent Real Estate Holdings and launched a new fund that will enable the combined company to significantly increase its holdings, including in Colorado.

Conrad Suszynski, managing principal for Goff at its Colorado office in Centennial, will serve as co-chief executive of the new company, along with Jason Anderson, who is based in Fort Worth, Texas. John Goff, who founded both companies, will serve as chairman.

Suszynski said in a phone interview that the new \$200 million fund, dubbed GP Invitation Fund I, has been

raised and will allow the company to acquire up to \$4 billion in new properties through various partnerships with other entities.

"It's fresh capital so we can expand," Suszynski said. "Colorado is a state that reflects everything we're looking for in terms of demographics. We will be expanding here."

Goff's Colorado holdings include slightly more than 2 million square feet of commercial space, primarily in Flatiron Park in Boulder and The Campus at Longmont in Longmont. In addition to those two, the company owns the Riverpoint Building in downtown Denver and is developing the mixed-use



GOFF

Platte Fifteen project in Denver.

As for acquisitions in Colorado, Suszynski said Goff has "a few in the pipeline" but none he can announce. While most of Goff's holdings in Colorado are office buildings, Suszynski noted that the company is active nationally in the apartment and hospitality markets, and that it will also look at further development opportunities in Colorado.

Goff bought Flatiron Park in east Boulder in 2011 for \$67.8 million, and followed that up with the \$58.3 million purchase of The Campus at Longmont the following year.

Most recently, the company is working on an addition to and the renovation of the building at 5541 Central Ave., in Boulder where New Hope Network and Sovrn Holdings plan to lease space.

### PROPERTYLINE

#### Loveland developer McWhinney raises \$44M through new entity

LOVELAND — Developer McWhinney Real Estate Services Inc. has raised \$44 million through a new entity called MHV Holdings LLC, according to a recent filing with the U.S. Securities and Exchange Commission.

An official for Loveland-based McWhinney declined to comment on what the new entity entails or what the funds might be used for.

McWhinney officials disclosed in the filing that 29 investors had participated in the fundraising, and also that the company would receive \$500,000 as reimbursement for expenses related to the offering.

McWhinney is a multifaceted firm that develops, invests in and manages various real estate properties and projects.

The company's development footprint is vast in Northern Colorado, including projects such as Centerra and the Hahns Peak offices in Loveland. The company has also been involved in projects such as Union Station in Denver and various hotel and resort projects from Colorado to California to Oregon.

#### Construction begins on 440-unit residential project in Berthoud

BERTHOUD — Construction has begun on the first phase of Heritage Ridge, an approximately 440-unit residential development with single-family homes and townhomes on about 150 acres in Berthoud.

Private-equity and real estate development firm Arbor Capital Partners is developing the property that is west of the Burlington Northern Railroad and south of Spartan Avenue.

Last month, Newport Beach, Calif.-based Arbor Capital Partners acquired 79.8 acres of land at 417 County Road 15 from the Edward Davis/Virginia Schleiger Living Trust for \$1.3 million, adding to the 69 acres it acquired from the trust in 2015 for \$1.5 million.

Homebuilder Saint Aubyn Homes, based in Colorado Springs, recently paid Arbor Capital Partners \$2.3 million for 35 of the 170 single-family lots set for phase one of the project that takes up the west half of the 150 acres. Saint Aubyn Homes is expected to acquire 22 more lots. Orange Park, Fla.-based homebuilder Dream Finders Homes has 31 lots under contract.

Arbor Capital is planning 229 single-family homes and 92 townhomes for phase two on the east side, which will include a clubhouse and a park.

#### Charter school buys building to expand offerings in FoCo

FORT COLLINS — Colorado Early Colleges — a Colorado Springs-based charter school organization that opened a Fort Collins campus in 2012 — closed recently on the \$8.05 million purchase of an industrial building in Fort Collins, where it plans to expand its high school offerings.

CEC bought the roughly 90,000-square-foot building at 4424 Innovation Drive from Henderson-based Merritt Professional Properties LLC. Advanced Energy Industries Inc. had occupied the building for the past several years, but Sandi Brown, head of school for CEC Fort Collins, said the company's departure from the facility this past spring as it consolidates into fewer locations opened the door for the school's purchase.

Brown said CEC plans to undertake an \$8 million buildout.



## Larimer County at a glance

Vacancy rates	1st Quarter 2011	1st Quarter 2016	% Change
Office	11.7%	4.8%	60% lower vacancy
Retail	7.4%	3.8%	55% lower vacancy
Industrial	5.3%	3.0%	43% lower vacancy
Base rents	1st Quarter 2011	1st Quarter 2016	% Change
Office	\$13.11	\$15.12	15% higher base rate
Retail	\$13.28	\$14.95	13% higher base rate
Industrial	\$6.00	\$8.90	48% higher base rate
Under construction	1st Quarter 2011	1st Quarter 2016	% Change
Office	44,441 sf	287,558 sf	547% increase
Retail	146,680 sf	419,062 sf	186% increase
Industrial	8,130	133,933 sf	1,547% increase

Source: Costar

# The epic comeback of Larimer County

The Cleveland Cavaliers overcoming a 3-1 series deficit to win the National Basketball Association championship serves as a reminder that whenever you get down, there is always the opportunity for a comeback.

In April 2011, the Larimer County real estate market was in the midst of a hangover from the recession of 2009-10. Big projects such as the Foothills Mall redevelopment and the Mason Street Corridor were not yet a reality. There was a very large, abandoned dog-racing track occupying prime real estate near Interstate 25 and U.S. Highway 34. The rapid development and expansion of competing health-care providers had not yet commenced and retail centers throughout the county were struggling to make it. There was a lingering uncertainty hovering over our market like a dense fog.

Fast forward to the summer of 2016. We have taken flight to an altitude of 30,000 feet and the fog is below us, serving as a reminder of how far we have come and what we may encounter again in the future. Market improvement over the last five years can be charted in three major categories: vacancy rates, base rents and new construction.

Two big takeaways from this data: Despite challenges, developers are going all-in on new office and retail projects. The significant speculative development leading up to the Great Recession of 2009-10 resulted in lingering high vacancy rates post-recession. Much of that excess space has been absorbed by the market, but significantly higher construction costs have made it challenging to feasibly develop new inventory. The RSMears Construction Cost Index shows that commercial construction costs in our Northern Colorado market have increased 112 percent since the first quarter of 2011. As seen by the data above, developers are willing to accept these increased costs to



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build new inventory and are counting on employment and population growth to support it. That growth will apply more downward pressure to vacancy rates and lead to an increase in rent rates.

The industrial market is stronger than cold rolled steel. Unlike the office and retail segments, the industrial segment was not overbuilt during the years leading up to the recession. During the worst quarters of the recession, when vacancy rates trended north of 12 percent for retail and office space, vacancy rates for industrial space still hovered around 5 percent. We are seeing the strongest rent rate increases in this segment because of high demand, low inventory and high construction costs limiting the development of new inventory. A 6,500-square-foot flex office/warehouse space on Link Lane in Fort Collins recently leased for a base rent of \$9.25 per square foot, a 54 percent increase from the \$6 per-square-foot rent the previous tenant had paid.

Where does the Larimer County market go from here? We may have just experienced a Cleveland Cavaliers style comeback, but we shouldn't plan the championship parade just yet. Even with the positive market activity, there will be challenges ahead. How the market reacts will determine our trajectory over the next five years.

Greg Roeder and Joshua Guernsey are commercial real estate brokers with Brinkman Partners in Fort Collins.



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# BW STARTUPS



JONATHAN CASTNER FOR BIZWEST

Co-Founder/Chief Technology Officer Sven Coppom showing elements of their units construction.

## New CEO and \$3 million help build Soundwall

By Joshua Lindenstein

jlindenstein@bizwestmedia.com

BROOMFIELD — Settled into its Broomfield headquarters after a move from Boulder last year, startup Soundwall Inc. closed recently on a \$3 million funding round and saw cofounder David Hose return as chief executive as the company works to get its “connected canvases” for art in front of more customers at brick-and-mortar retail locations.

Hose replaces Aaron Cohen, who was hired in late 2014 and will stay involved as an adviser. While remaining chairman of Soundwall, Hose had spent a yearlong stint as interim CEO of music-streaming service Rhapsody until late last year.

Now backleading Soundwall, Hose said a major focus of the new funding round will be on ramping up sales and marketing, specifically getting customers to see the company’s products in person rather than just online. After a small launch in 2014, Soundwall increased sales in 2015 mostly through online sites.

Soundwall makes a canvas that is a speaker and is connected to the internet, enabling it to do things such as play music from a mobile device or play back the artist’s voice describing the painting. The company earlier

this year added a “floating aluminum” version to its product lineup that is more modern and sleek looking than Soundwall’s original framed product.

“This year we realized that people who get it love the product,” Hose said. “But it’s hard for people to figure it out online so we’re working out a strategy for that.”

Soundwall, which has an office in New York, still will keep higher-end pieces on display in galleries in places such as New York and London. But Hose said it plans to push to get its canvases into more boutique retail stores as well.

“We’re going to find places where you’d expect to see magical, beautifully designed product,” Hose said.

The new funding round follows a \$4 million round raised in late 2014 largely for product development and building out the company’s team, which Hose said has grown by 10 over the past year to about 20. John Malloy of California-based BlueRun Ventures led the previous round, while the lead investor of the latest round was not disclosed.

Soundwall had been operating out of the former Sutherland’s lumberyard site at 3390 Valmont St. in Boulder but moved last year into space at 530 Compton St. in Broomfield. Hose declined to disclose revenue, but said Soundwall can produce about 200 of



JONATHAN CASTNER FOR BIZWEST

David Hose with a SoundWall unit.

the handbuilt canvases — which can sell for \$800 to as much as \$20,000 — per month per shift at its new space, and he’s working on adding a second shift. The aim, he said, is to continue to add employees this year.

“Our goal is to add to the Broomfield economy,” said Hose, who cofounded the company with Sven Coppom.

*Joshua Lindenstein can be reached at 303-630-1943, 970-416-7343 or jlindenstein@bizwestmedia.com. Follow him on Twitter at @joshlindenstein*

### STARTINGLINE

#### Treehouse Health launches in Boulder

BOULDER — Matt Oerding and Dr. Gary Gerber have launched their startup Treehouse Health LLC in Boulder to take advantage of the area’s startup scene. The company, formed in 2015, plans to open Treehouse Eyes eye-care centers that will offer a patent-pending method of treating myopia, or nearsightedness, which causes blurry distance vision. “Boulder has an amazing startup scene with best-in-breed professional services for entrepreneurs,” said Oerding, the company’s chief executive and co-founder. “Our legal counsel, CFO, accountant, business banker and CPA are all here and specialize in working with startups. We’re excited to play a role in the growing health-care arena happening in Boulder.” Right now, Oerding is running the company out of the Impact Hub Boulder at 1877 Broadway. The company has six employees, including Oerding and Gerber, who works from New Jersey. The company raised \$2 million in seed funding in less than six months. The company’s advisory board includes experts in myopia control and LensCrafters’ founder Dean Butler. Oerding said the Treehouse treatments can slow or stop the progression of near-sightedness, but does not reverse it. The first two Treehouse Eyes centers will open in the Washington, D.C. suburbs — Bethesda, Md., at the end of July, and Tyson’s Corner, Va., in August, areas that have a high prevalence of myopia, Oerding said.

Current plans include expansion in major markets across the United States with a goal of opening more than 20 centers in the next two years. Oerding couldn’t say when a center would be opened in the Boulder Valley.

#### Innosphere board to decide on pact for Estes incubator

The fate of a proposed incubator program for the Estes Valley now is up to the executive committee of Innosphere, a Fort Collins-based nonprofit that assists tech startups. The Estes Park Economic Development Commission board voted unanimously in June to partner with Innosphere to form the incubator as part of a broader strategy around job creation and retention to generate a more stable and diverse economy in a tourist town that bustles in summer but faces months of doldrums in winter. Innosphere helps young companies with tasks such as launching their businesses, crafting business models, building teams and raising capital. Its executive director, Mike Freeman, told BizWest that his recommendation to approve the partnership will be shared with the committee at its next regular meeting in late July and, if approved, the boards of Innosphere and the Estes Park EDC will negotiate a contract for service. Freeman, who also served on the advisory committee in Estes Park that studied forming the incubator, said he is confident the partnership makes sense for Innosphere because of “the value of the collaboration. Jon Nicholas, president and executive director of the Estes Park EDC, said the first order of business would be to have an Innosphere program director who would be housed at the EDC — and to obtain grant funding to pay that person. If a member of the community wanted to start a business, he said, that program director could plug the entrepreneur into Innosphere, the Larimer County Small Business Development Center, the county Workforce Center or other programs statewide that could benefit their plans.



# Entrepreneurs should expect help, not handouts

I frequently encounter an entrepreneur who demonstrates a sense of entitlement. This person expects to get free advice, expects to obtain a meeting or expects to receive funding. Mentors are expected to help without getting paid. Successful people are expected to “give back” and “pay it forward.” Investors are expected to financially enable everyone’s business that will be the next Google, as depicted in every pitch session.



**ENTREPRENEURS**  
KARL DAKIN

From my perspective of having advised and started a large number of businesses, I have learned that expectations are very rarely attained. Not only is the hoped-for outcome not met, but more often the future yields an unpleasant surprise. Years of experience of startup roller coasters certainly have tempered my enthusiasm for any new venture, but that sense of adventure in pursuing an opportunity is not what I am talking about. I am not talking about confusing confidence with arrogance.

In a recent conversation with an

associate who also consults as I do, he commented on a recent meeting where the prospective client raised the issue of fees and compensation in recognition of appreciation for the assistance that was offered. My associate shared his sense of surprise at the offer. He, like me, is often asked for help, and that help, when offered, often is treated as my duty to share what I have learned through my long series of adventures and misadventures.

Most often a “thank you” is given, but the expression of thanks sounds more like a child reciting a parent-imposed mandate.

As a small-business advocate, I often am cheerleading new entrepreneurs to go out there and give it their best. I recommend that leaders of business not spend money unless it is necessary. But this advocacy and this advice were never intended to create an uncompensated privilege.

As a group, we now encourage innovation and recognize entrepreneurs who successfully convert ideas into products and services. A portion of our tax dollars goes to provide free business-support services. We hold competitions where we give away prizes. We forgive debts in bankruptcy. Are we guilty of catering to entrepreneurs to the point that we have

created a new class of royalty? Or, is the lack of appreciation for support simply a small minority that reflects some of the lesser attributes of the human race?

When I was growing up, it was a common saying that “anyone can grow up to be president” or that “hard work can make anyone rich.” I have no doubt that such statements created in me a sense of opportunity — that the American way of life was not about restrictions based upon class or noble birth or other barriers to personal success. I certainly pursued the American dream. Although becoming president has lost its glamour and I have gained a true understanding of the role that luck and good fortune play in achieving success, I still work hard — and I try to recognize the value of help and advice when it is given. But, I did not and do not feel entitled.

I often hear phrases such as “it’s your turn” or “your fair share.” Some of these phrases find their way into calls for “social justice” and “distribution of wealth.” There is no doubt that there are serious dysfunctions in the business world and that there is tremendous room for improvement, but does this translate into a sense of entitlement at the individual level?

It may be simply that we are

**“As a group, we now encourage innovation and recognize entrepreneurs who successfully convert ideas into products and services.”**

rewarding the concept of ‘entrepreneurship’ without having clearly defined processes and metrics for encouraging entrepreneurship or entrepreneur success. Like giving trophies out to every member of every soccer team in the league without regard to their performance, everyone expects a badge for just showing up. I do not see this as a new problem, but one that has always existed.

If we seek for entrepreneurs to attain a threshold of professionalism, we should give some thought to how we promote and enable entrepreneurs.

Contact Karl Dakin of Dakin Capital Services LLC at 720-296-0372 or [kdakin@dakincapital.com](mailto:kdakin@dakincapital.com).

**Here’s hoping your score is less than your donation amount.**

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**Monday, Aug. 8**

Fort Collins Country Club  
Proceeds benefit the  
Garth Englund Blood Center.  
Register: [supportinghealth.org/fcgolf](http://supportinghealth.org/fcgolf)

**Monday, Sept. 19**

Greeley Country Club  
Proceeds benefit cancer patient assistance  
in Weld County.  
Register: [supportinghealth.org/greeleygolf](http://supportinghealth.org/greeleygolf)



**PVH and MCR**  
FOUNDATION



# Manufacturing CEOs struggle to find skilled talent

By Doug Storum

dstorum@bizwestmedia.com

FORT COLLINS — Leaders of manufacturing firms in Northern Colorado face challenges in maintaining a skilled workforce, providing quality health care for their workers and figuring out how to best handle employees who might partake in the use of recreational marijuana.

They also say costs associated with new and changing regulations issued by the Occupational Safety and Health Administration through the Department of Labor erode the bottom line, often affecting their ability to hire needed workers.

“We are growing quickly,” said Todd Whitbeck, chief financial officer of Water Pik Inc. in Fort Collins, who said he has about 15 to 20 job openings.

“Electrical and hydraulic engineers are hard to find here,” he said. “We’ve had to hire engineers in China.”

Entry-level employees with basic skills are also hard to find, said most of the executives who participated in BizWest’s CEO Roundtable on manufacturing June 28 in Fort Collins.

Steve Anderson, president and chief executive of Forney Industries Inc. in Fort Collins, said there is a gap between baby boomers and millennials for welders and the trades in general.

Anderson is trying to fill that gap by offering scholarships to students to attend Front Range Community College’s trade classes.

“We’ve had some success working with Front Range as well as Colorado State University’s supply-chain management forum,” Anderson said. The



DOUG STORUM/BIZWEST

Participants in the June 28 CEO Roundtable include, from left, Jim Sampson, Hub International Insurance Services; Luis Ramirez, BBVA Compass; Steve Anderson, Forney Industries; Luis Gutierrez, BBVA Compass; Marcia Coulson, Eldon James Corp.; Mike Grell, EKS&H; Tim Reeser, Lightning Hybrids Inc.; Terry Precht, Vergent Products; Carl Maxey, Maxey Cos.; Brian Rooney, EKS&H; Todd Whitbeck, Water Pik Inc.; Lisa Clay, Advance Tank & Construction Co.; Dean Herl, Noffsinger Manufacturing Co. Inc.; Kreg Brown, EKS&H; Garth Rummery, Tharp Cabinet Co.; Russ Henniger, Hub International Insurance Services; and David Fritzler, BBVA Compass.

forum provides partner companies with the opportunity to interact with CSU supply-chain faculty, supply-chain students and other company partners.

Dean Herl, general manager of Greeley-based Noffsinger Manufacturing Co. Inc., a maker of equipment for the agriculture industry, said it is difficult to find young qualified workers. “The average age of our tech workers is 56. We will see turnover there. Instead of hiring someone with 10 years of experience, we have dropped that to five years of experience,” he said.

With a shallow talent pool, Anderson said an emerging trend is that blue-collar workers will demand higher wages. Tim Reeser, president and co-founder of Lightning Hybrids in Loveland, said he’s having to pay machinists more than engineers.

Terry Precht, CEO and president of Vergent Products in Loveland that designs and manufactures products for its clients, said he sees a shortage of electrical engineers.

“We want a candidate that has a two-year degree in electronics that has received a hands-on education,” Precht said. “For skilled assembly, a two-year degree is worth its weight in gold.”

Fort Collins-based trailer manufacturer Maxey Cos. merged with Pennsylvania-based MGS Inc. in 2014. Carl Maxey said as his company has ramped up assembly lines to two shifts during the past 18 months in Fort Collins, finding workers with the needed skills is a problem.

“We’ve tried to transfer employees from Pennsylvania to Colorado, but housing becomes a problem with the higher cost of homes here,” Maxey said. “We’ve had to take on the responsibility to train people.”

Garth Rummery, owner of Tharp Cabinet Co. in Loveland, also is training his own people.

“We look for good people who have a good personality, work hard and are team players. We have enough core knowledge to be able to train them ourselves.”

Marcia Coulson, president of Denver-based Eldon James Corp. that is planning a facility in Fort Collins, said her company looks for people with a strong work ethic and are able to pass a drug test.

## Recreational marijuana

“Our employees need to be thinking,” Coulson said. “One employee could be responsible for a million-dollars-worth of equipment. “They need all their senses,” referring to people who may come to work with a THC hangover or take a “smoke” break.

Maxey said the problem is that the state has not issued guidelines on what constitutes too much THC, the mind-altering ingredient in marijuana.

“It’s not defined. ... And as employers, we cannot afford the risk of injury.” He said when an employer sends someone home because of alcohol use, “it is never challenged.”

Lisa Clay, CEO of her family business, Advance Tank & Construction

Please see **CEOs**, page 23

## ON THE JOB

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#### Banking/Finance

##### Kelly Cochran | Accreditation received Merrill Lynch

Kelly Cochran, Financial Advisor at Merrill Lynch has recently achieved the CERTIFIED FINANCIAL PLANNER™ certification. Ms. Cochran is a partner in The Fredrickson-Cochran Group in Boulder and joins her partner, Marilyn Fredrickson as a CFP® professional.

#### Law

##### Kathleen T. Alt | Promotion Berg Hill Greenleaf Ruscitti LLP

Berg Hill Greenleaf Ruscitti LLP is pleased to announce the election of Kathleen T. Alt to the firm’s Management Committee, effective June 1, 2016. She will continue her work in state and federal courts as an experienced litigator and trial attorney. “Kathleen’s dedication to her clients, as well as her superior performance is unmatched, and we could not be more pleased to have her on the Committee,” commented Giovanni Ruscitti, BHGR’s Managing Partner. For more information, visit [bhgrlaw.com](http://bhgrlaw.com).

##### Jody Duvall | New hire

**Cline Williams Wright Johnson & Oldfather, LLP** Cline Williams Wright Johnson & Oldfather, L.L.P. is pleased to announce the addition of Jody N. Duvall. Jody N. Duvall joined the firm in February 2016.



COCHRAN



ALT



DUVALL



DERN

His practice focuses on labor disputes and labor relations. He represents employers in all stages of litigation before federal and state trial and appellate courts, the National Labor Relations Board and other state and federal administrative agencies in mediation and arbitration.

##### Alan Friedberg | Promotion Berg Hill Greenleaf Ruscitti LLP

Alan C. Friedberg has become a Partner of Berg Hill Greenleaf Ruscitti LLP, effective June 1st, 2016. He brings a wealth of experience to the Partner team and will continue to concentrate his litigation practice in the commercial area including securities, business



DUVALL



FRIEDBERG



CHRISTENSEN

disputes, real estate matters, insurance, and professional liability cases. To learn more about Mr. Friedberg, please visit [bhgrlaw.com](http://bhgrlaw.com).

#### Professional Services

##### David Buist | Promotion PWC

David Buist has been admitted to PwC’s partnership as Assurance partner focusing on Consumer & Industrial Products and Services / Energy. He has been with the firm for the past 13 years. Prior to transferring to Denver, David started his career in PwC’s Johannesburg, South Africa office where he spent three years and was qualified as a Chartered Accountant. David has over a decade of experience working with Fortune 500 and other mining clients. His recent experiences include assisting clients to access the capital markets through providing roadmap and internal controls advice on IPOs, including cross border offerings, debt and equity offerings.

##### Jeanette Dern | Promotion PWC

Jeanette Dern has been admitted to PwC’s partnership as Assurance partner focusing on Consumer & Industrial Products and Services / Industrial Products. She has over 15 years of experience serving multi-national public and private clients, including those reporting under US GAAP and IFRS. Jeanette has previously been part of PwC’s US National office, where she was involved in advising and presenting on technical accounting issues from a US GAAP and IFRS perspective primarily focused on accounting for business combinations and impairments. Prior to joining PwC’s US National Office, Jeanette spent over four years in PwC’s London office providing ongoing consultation support to companies regarding US GAAP, IFRS and SEC reporting requirements. Jeanette started her career as an auditor in PwC’s Denver, Colorado office. She is a licensed CPA in the state of Colorado and a member of the AICPA.

#### Real Estate

##### Chase Christensen | New hire Cushman and Wakefield

Chase Christensen joins Cushman & Wakefield; Fort Collins Office Strengthens Brokerage Team. Cushman & Wakefield, the largest commercial real estate provider in Larimer and Weld County, announced Chase Christensen has joined the firm’s Fort Collins office as an Associate Broker. “We’re thrilled to add such a bright young man to our team,” said Greg Morris, Managing Principal. “Chase brings with him several new marketing assignments that we are excited to add to our expansive existing portfolio in Northern Colorado.”



## BRIEF CASE

### CONTRACTS

One of the earliest adopters of Loveland-based **Lightning Hybrids LLC's** hybrid conversion systems for medium- and heavy-duty fleet vehicles doubled down with an order for 32 more units. The new order from **Kiessling Transit**, a Norfolk, Mass.-based company that provides shuttle service for health-care transport, follows an order of 35 units in mid-2015. Kiessling also was one of the first firms to do a pilot run of Lightning Hybrid's systems on its buses in 2013.

**Ashley County Medical Center**, a critical-access hospital in Crossett, Ark., is now using **AccuDetect Computer-Aided Detection** from Niwot-based **Parascript** for mammography.

### KUDOS

Executives from three companies based in the Boulder Valley won EY Entrepreneur of the Year awards for the Mountain Desert region at a ceremony in Denver. Executives from eight local companies had been named finalists for the eight categories. Winners for the Mountain Desert region—which includes Colorado, Arizona and New Mexico—were selected by an independent judging panel made up of previous winners, leading chief executives, private investors and other business leaders from the region. CEO **Andy Grolnick**, chief technology officer and co-founder **Chris Petersen** and chief scientist and co-founder **Phil Vilella** of Boulder-based cybersecurity firm **LogRhythm Inc.** won in the Security category. In the Consumer Products and Distribution category, CEO **Paul Berberian** of Boulder-based robotic-toy maker **Sphero** took home top honors. In the Transformational category, the chairman and CEO of Broomfield-based **Vail Resorts**, **Rob Katz**, was the winner. Winners from the regional competition will be considered for the EY Entrepreneur of the Year national program, with those winners to be announced in November at the Strategic Growth Forum in Palm Springs, Calif.

**Joe Romano**, who owns eight Domino's stores in and around Boulder and Douglas counties, and co-owns 46 **Domino's** pizza stores in Dallas and its surrounding areas, won the International Franchise Association Gold Franny Award for operational excellence—his eighth such award.

Boulder-based **Foothills United Way** was named Business of the Year by the Superior Chamber of Commerce at the chamber's annual dinner and awards on June 7.

### MERGERS & ACQUISITIONS

Metal beverage-can manufacturing giant **Ball Corp.** on June 30 completed the acquisition of rival **Rexam PLC**, with the final purchase price coming in at \$6.1 billion in cash and equity. The deal also includes Broomfield-based Ball's assumption of \$2.4 billion of Rexam debt, as well as the divestment of about 20 plants around the world to **Ardagh Group** for \$3.1 billion in cash to help satisfy regulators. The deal makes Ball the largest maker of beverage cans in the world., with 18,700 employees on five continents and pro forma 2015 net sales for the combined company of about \$11 billion. The company now operates 75 metal beverage manufacturing facilities and joint ventures. Company officials said Ball's headquarters will remain in Broomfield, while Rexam's London headquarters is expected to close by the end of the year.

**Benjamin Brickweg**, a mergers and acquisitions adviser based in Erie, acquired the controlling interest in **Mountain States Business Brokers**, a business brokerage based in Fort Collins. The company is relaunching as the **Scout & Spur Group** and moved its headquarters to Broomfield. It maintains offices in Aspen, Fort Collins, Loveland, Steamboat

Springs and Summit County. Ben Mahrle, founder of Mountain States Business Brokers, retains an ownership role in the Scout & Spur Group and will continue to serve clients in Northern Colorado.

Louisville-based **Door to Door Organics** is merging with Charlottesville, Va.-based online grocer **Relay Foods** in an all-stock deal. The companies, when the deal is complete later this year, will merge under a new name, although the new firm will keep operations in both headquarters cities.

Metal can manufacturing giant **Ball Corp.** (NYSE: BLL) has received regulatory approval in Brazil for the company's proposed \$6.7 billion acquisition of rival **Rexam PLC**, moving the deal one step closer to being finalized. Ball is still working to obtain final regulatory clearances in Europe and the United States. Announced in February of last year, the Ball-Rexam merger would create the world's largest consumer packaging supplier, with command of more than 60 percent of the beverage-can market in North America, 69 percent in Europe and 74 percent in Brazil. The combined company would employ a workforce of about 22,500 employees across five continents and generate annual revenue of about \$15 billion.

Health-care supply chain company **Global Health Exchange LLC** in Louisville acquired Omaha, Neb.-based **H-Card LLC**, which provides automated payment-management software and services to health-care providers and suppliers in the United States. Financial terms of the deal were not disclosed. The acquisition, GHX's second in 19 months, expands the company's financial-products portfolio.

**Medtronic Plc** agreed to acquire ailing **HeartWare International Inc.** for \$1.1 billion, adding more products to treat heart failure to the medical-device maker's portfolio. Ireland-based Medtronic has a neurosurgery division based in Louisville, operating as **Medtronic Navigation Inc.** in the Colorado Technology Center. Medtronic's subsidiary **Covidien Ltd.** operates a research and development division in Gunbarrel, northeast of Boulder, and has a hearing-aid division, **Medtronic-Sophon**, in Boulder. It is unclear how the acquisition might affect workers in Boulder. HeartWare makes surgical implants that mimic the heart's blood-pumping function, known as ventricular assist devices. Medtronic (NYSE: MDT) will pay \$58 a share in cash for Framingham, Mass.-based HeartWare (Nasdaq: HTWR).

**Onsite Property Management Services** in Fort Collins purchased the accounts of real estate management firm **Realty Consultants of Colorado**. Financial terms and the number of accounts were not disclosed. Dennis Maybon, owner of Fort Collins-based Realty Consultants since 1977, sold the accounts to clear the way for his retirement.

### MOVES

Goleta, Calif.-based **Deckers Brands**—which owns several footwear brands, including Ugg and Teva—will later this summer move a call center from Flagstaff, Ariz., to Broomfield, where it eventually could employ as many as 250 people on a seasonal basis. The company is working on finalizing a lease for space at 11525 Main St., and company spokeswoman Mary Oeffling said the plan is to make the move in August. Deckers is planning a job fair for July 12-13 at 8300 Arista Place in Broomfield, focused primarily on hiring for 30 core leadership and call representative positions for the Broomfield site.

**Whole Foods** will close its regional office in Boulder by early next year as the company moves those operations to downtown Denver. The Austin, Texas-based natural grocer's move will mean about 100 jobs going to the Denver site, a 38,000-square-foot building at 3012 Huron St. Whole Foods leases about 45,000 square feet at Boulder's Twenty Ninth

Street shopping center. The office oversees stores in Whole Foods' Rocky Mountain Region, which includes Colorado, Kansas, Idaho, New Mexico and Utah.

The new owners of **Custom Blending** plan to move the spice and seasoning company from Fort Collins to Loveland. The company, acquired from Fort Collins-based Rodelle Inc. in February by Tom and Kristie Cotter, has leased 12,000 square feet of industrial space in southeast Loveland where the intent is to ramp up to 20 employees over the next couple of years.

**Thompson Daviau Realty** moved to a new office at 4450 Arapahoe Ave., Suite 100, in Boulder.

### OPENINGS

Rick and Ivy Lee opened a **Mooyah Burgers, Fries & Shakes** fast-casual restaurant on June 20 in Lafayette Crossings, a retail center at U.S. Highway 287 and South Boulder Road in Lafayette. The restaurant occupies about 2,000 square feet at 520 W. South Boulder Road.

**Skirt Sports**, a 12-year-old company specializing in online sales of stylish sportswear for women, opened its first retail outlet and held a grand-opening celebration June 16. The store at 2795 Pearl St., Unit 102, in Boulder—about 1,000 square feet plus office space in back—is in a spot formerly home to a Pearle Vision Center. The address is a bit misleading, said founder and owner Nicole DeBoom, because the storefront faces the intersection of 28th and Spruce streets.

**Creative Alignments**, a six-year-old Boulder-based recruiting agency, opened a new office June 1 at 3463 Blake St., Suite 100, in Denver's RiNo district after moving from space in the Galvanize facility at 1644 Platte St. in Lower Downtown. The Denver office has a total of eight employees at any given time, and the company has 21 employees overall. Founded in 2010, the company ranked first in 2015 and eighth in 2016 in Flight III of BizWest's Mercury 100 list of the fastest-growing companies in the Boulder Valley. Its main office is at 4760 Walnut St., Suite 106, in Boulder.

Todd Geatches and Clayton Hartman signed a franchise deal to open 13 **Toppers Pizza** shops in Colorado and Wyoming, including several in Northern Colorado and the Boulder Valley, with an option to open 14 additional stores south of Denver. Geatches, who lives in Windsor, owns and operates three Taco John's franchises in the area and operates six others for the Harold Holmes family through Mountain Restaurant Group LLC. Hartman is the chief investment officer for IFAM Capital's office in Fort Collins, and is a board member for Taco John's International. Geatches and Hartman recently formed the entity Rocky Top Management Inc. through which they will operate Toppers. Geatches said they plan to first open pizza shops in Fort Collins and Boulder and are in the process of securing locations near Colorado State University in Fort Collins and the University of Colorado in Boulder. He also is scouting for sites in Longmont, Brighton and Greeley, as well as Cheyenne and Laramie in Wyoming.

Several restaurants opened recently in Fort Collins. **The Melt** opened at the Foothills shopping area with a menu featuring grilled cheese sandwiches. The San Francisco-based chain also has locations in Longmont, Denver and Littleton. Also new at Foothills is **Zoes Kitchen** at 3100 S. College Ave., Suite 130, serving Mediterranean fare. Meanwhile, **Himalayan Bistro** opened at 2720 Council Tree Ave., Suite 184, in Front Range Village. The owners are Dawa Sherpa and his wife, Tashi. Dawn Sherpa has run the Mount Everest Café, 1113 W. Drake Road, for 14 years, and his sister and brother-in-law will take over daily man-

agement there.

**SAS Manufacturing LLC**, a 10-year-old Boulder-based manufacturing company that serves aerospace and other industries, opened a facility in Englewood equipped with 3-D printers and automated milling machines. SAS Manufacturing, a subsidiary of Special Aerospace Services LLC, bought the 12,500-square-foot building at 3737 S. Inca St. in 2015 from C&C Manufacturing, a nearly half-century-old business, and began upgrading the equipment and processes to meet the standards of clients in aerospace, aviation, energy, defense and the U.S. government. Special Aerospace Services LLC has offices at 3005 30th St. in Boulder, and its engineers work onsite with clients. It and its subsidiary employ about 60 people.

**Village Cleaners, Closet & Storage Concepts, Phenix Salon Suites** and **Pho Huong Viet** have signed leases to operate at the open-air Village at the Peaks shopping center along Hover Street in Longmont that previously was occupied by Twin Peaks Mall. Opening dates for these merchants has not been determined because they have permit and construction work ahead of them. Boulder Cleaners will open Village Cleaners in 1,198 square feet. It will be Boulder Cleaners' fifth location in the region. It has stores in Boulder, Niwot, Gunbarrel and Louisville. Colorado Springs-based Phenix Salon Suites, a chain of hair salons that also sells its own line of hair and skin products, has a shop in Boulder and will occupy 5,000 square feet of space at Village at the Peaks. Longmont-based Closet & Storage Concepts offers custom high-end storage and design options for closets, offices and garages, and will occupy 1,318 square feet of space. Pho Huong Viet, a locally owned restaurant serving Asian cuisine with a focus on traditional Vietnamese dishes and fusion options, is taking 2,410 square feet of space.

Ben Keller launched **The Growth Coach of Boulder**, a business and sales coaching franchised business. Founded in Cincinnati, The Growth Coach sold its first franchise in 2003 and now is in more than 100 markets worldwide.

### PRODUCT UPDATE

Broomfield-based **Intelvideo** announced new technology for the subscription video-on-demand industry. The **Intelvideo Subscription Center** is designed to make it simpler for companies of every size and type including health and fitness, film festivals and digital catalog firms to capitalize on the explosive growth of online video consumption. It offers a centralized toolkit for digital video content owners to create and grow a recurring revenue stream by harnessing the power of a subscription model.

Louisville-based **Pivot3**, a developer of hyperconverged infrastructure solutions, unveiled a product designed to take HCI from beyond targeted-use cases such as virtual desktop infrastructure, backup and disaster recovery and remote office/brand office, and into the full spectrum of data-center applications that IT organizations need to deliver. It's the first product offering that leverages technology gained from Pivot3's acquisition of PCIe flash array and Quality of Service innovator NexGen Storage in February.

### SERVICES

A group of mental-health professionals launched **healbright.com**, a website that offers online mental-wellness courses on a variety of topics that are led by psychologists, psychotherapists and therapists. Boulder-based **Heal Bright LLC** was founded in 2015 by Bill Belanger, a therapist who serves as president and chief executive, along with clinical director Jamarie Geller and creative director Richard Fleming. The group began producing courses in December.

### CEOs, from 22

Co. in Wellington, hires welders from across the country for projects her firm has across the United States. But she has more difficulty hiring in Colorado, where recreational use of marijuana is legal.

"I don't have a choice. I say right up front, 'don't waste my time, can you pass a drug test?' I'm waiting for

someone to quantify the level of THC that is safe."

Reeser said the state has done a poor job on educating about the effects of marijuana. "It is not as harmless as we are led to believe," he said.

### Health care

Most manufacturers in the room lamented the direction health-care is taking but are even more wary of

Amendment 69, which will be voted on in November.

The amendment to the state constitution would create ColoradoCare, a payment system designed to finance health care for Colorado residents partly through an approximated \$25 billion increase in state taxes that would be paid by businesses and employees.

"This will have bad consequences," Clay said. "It wasn't good for Vermont

or Massachusetts; so why would it be good for Colorado? We (as a company) might have to cut jobs or move out of state."

Reeser conjectured that in the system will have a lot of waste and offer poor service.

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



# TIME OUT



COURTESY GREELEY CHAMBER OF COMMERCE

Ryan Mausbach of American Family Insurance and CJ Myatt of CJ's Electric meet Miss Rodeo Colorado Madaleine Mills at a Business After Hours hosted by the Greeley Stampede on May 26.



COURTESY CRAIG VOLLMER PHOTOGRAPHY

From left, Lisa Stadele, Sue Charles, Patsy Deines, Tim Jordan, Danielle Jordan, Michele Adams and Susan Stockwell attend a May 19 salute for Palmer Flowers, 3710 Mitchell Drive in Fort Collins, which was named Business of the Month.



COURTESY CRAIG VOLLMER PHOTOGRAPHY

From left, Kaetlin Henderson, Heather Bonnema, Cheri Henderson, Rick Bowman, Vanessa Headland and Mike Fullerton attend a May 17 red-carpet reception for Pro-Corp Images, 1200 S. College Ave., Suite 306, in Fort Collins.



COURTESY FORT COLLINS AREA CHAMBER OF COMMERCE

A red-carpet reception is held May 31 for Integrated Computer Consulting, 760 Whalers Way, Suite B200, in Fort Collins. From left are Jim Otepka, Jesse Courchaine, Kirk Bane, Sarah Wilhelm, Susie Defoort, Teri English and Bryan Richmond, and in the back row is Thalia Stevenson.



COURTESY EVERITT REAL ESTATE CENTER

From left, Peter Kast, Kate Waggoner, Steve Stoecker and Matt Patyk make up one of the foursomes June 20 at the Harmony Course in Timnath at a golf tournament sponsored by the Everitt Real Estate Center at Colorado State University.



COURTESY FORT COLLINS AREA CHAMBER OF COMMERCE

From left, Cole Lewis, Richard Kerr and Carlos Bejarano attend a June 7 red-carpet reception at a new Longhorn Steakhouse, 3450 S. College Ave. in Fort Collins.



# TIME OUT



COURTESY CRAIG VOLLMER PHOTOGRAPHY

From left, Emily Kala'i Joey Hansen, Jason Peifer and Gina Nichols attend a June 7 red-carpet reception for Group Mortgage at the Fort Collins Area Chamber of Commerce.



COURTESY GREELEY CHAMBER OF COMMERCE

Brandy Carlson of FastSigns Greeley, left, and Darci Darling of A Woman's Place attend a June 2 Greeley Young Professionals event at the Greeley Stampede Arena.



COURTESY WELLINGTON AREA CHAMBER OF COMMERCE

Staffers of the Wellington Area Chamber of Commerce join area residents on June 4 for a grand opening and ribbon cutting for the new Wellington Community Park.



COURTESY FORT COLLINS AREA CHAMBER OF COMMERCE

From left, Christopher Unger, Monica Plake and LeAnn Bitler attend a June 9 red-carpet reception for Mountain West Business Law PC at the Fort Collins Area Chamber of Commerce.



COURTESY WELLINGTON AREA CHAMBER OF COMMERCE

The Wellington Area Chamber of Commerce holds a May 28 ribbon cutting for the grand opening of Old Colorado Brewing Co. in Wellington.



COURTESY GREELEY CHAMBER OF COMMERCE

Event host Sears Real Estate agent Mike D'Amato, center, welcomes Chris Haug of Music Man Mobile DJ Service, left, and Doug Gain of Doug's Carpet & Upholstery Care on June 8 at a Greeley Chamber of Commerce Business Before Hours gathering.

Email your event photos to Dallas Heltzell, dheltzell@bizwestmedia.com. Include complete identification of individuals as well as name, date and place of the event. More Time Out photos are online at bizwest.com.



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## BW GREELEY BIZ

### Tim Veldhuizen is cookin' with gas

Restaurateur aims to build on electric Greeley successes



Tim Veldhuizen, owner of Greeley Chophouse, Monday's American Grill and 1900 Speakeasy, stands behind the historic downtown Greeley on July 11. The speakeasy opened in June 2014.

GREELEY — Entrepreneur Tim Veldhuizen is looking to build on his success in Greeley, Colorado, by opening a new restaurant in the historic downtown area. Veldhuizen, who runs the Greeley Chophouse, Monday's American Grill and 1900 Speakeasy, is looking to build on his success in Greeley, Colorado, by opening a new restaurant in the historic downtown area.

"That's what makes it fun for me is to have the opportunity to do a variety of different things," Veldhuizen said. "I'd like to develop a real strong, diverse Colorado company."

Veldhuizen, who lives in Loveland, is looking to build on his success in Greeley, Colorado, by opening a new restaurant in the historic downtown area.

open markets in all of those towns. So really the question is to find what would be the best fit for me."

For Veldhuizen, a variety of styles is the name of the game, with Italian, Mexican, and American influences.

breakfast, pizza and others high on his list. He's also been looking lately for a place to open a craft brewery in Greeley.

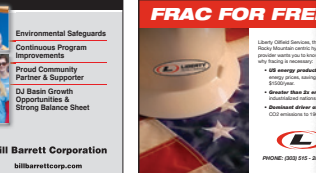
While he doesn't have a name for his overarching family of restaurants yet, he envisions the history-providing common theme.

"One of the things we'd like to do is get in on the brewing craze," Veldhuizen said. "I think when we do that, we're kind of on the same page as the brewery to thread everything together."

Veldhuizen, a chef by trade, had co-owned the 4th Street Chophouse, McTarriff's American Grill and Cipriani, an Italian restaurant, in Denver.



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FRAC FOR FREE  
Liberty Oilfield Services, the industry's leading frac sand producer, is offering a free sand program to oil and gas companies.

## BW BROOMFIELD BIZ

### Serving up success

Co-working space comes with side of mentoring



Founder and owner Jeff Greenberg puts his background in psychology and food to help small food producers launch and grow. "We even sometimes get involved in product development, taking an existing recipe and refining it," he said.

BROOMFIELD — The Kitchen Coop is not your average commercial kitchen co-op. It provides kitchens and production areas for small food producers to make their products, but it also offers a lot of mentoring and business advice.

"We make sure that they have a realistic view of their product's profitability so they are not wondering why they aren't making money," Greenberg said.

Greenberg, founder and president of The Kitchen Coop LLC, wanted his venture to stand out from the competition. Why keep renting commercial kitchen space to companies that had a high chance of failure when he could share his knowledge and expertise in management consulting and marketing opportunities?

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## NEWS & NOTES

Do this deal with Fort Motors

Fort Motors is looking for a buyer for its fleet of commercial vehicles. The company has a large inventory of trucks and vans that it is looking to sell.

## BW LOVELAND BIZ

### Desktop 3-D printers hit big time with little things

Alph Objects printing its own replacement parts



The LulzBot Mini desktop 3D printer prints a final test before being shipped.

LOVELAND — With the evolution of 3-D printing accelerating in exponential fashion, how could a small Loveland company distinguish itself in a world in which the industry is launching into prosthetics, edibles and perhaps even custom pharmaceuticals?

Alph Objects, a Loveland-based company, is using 3-D printing to create custom replacement parts for its customers.

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## BW BOULDER BIZ

### MakeMusic singing new tune after purchase of Paris' Weezy



The Weezy and MakeMusic teams gathered at MakeMusic's Boulder headquarters in June.

BOULDER — Boulder's MakeMusic Inc. is singing a new tune after purchasing Paris-based Weezy, a music training technology company.

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## NEWS & NOTES

A-B buys American Eagle Distributing

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What's new? What's successful? What are the challenges? What's on the horizon? BizWest's new city-specific coverage highlights the business and economic scene of individual communities throughout the Boulder Valley and Northern Colorado — in every issue and online.

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THE BUSINESS JOURNAL OF THE BOULDER VALLEY AND NORTHERN COLORADO



# Could your email marketing be more effective?

According to the Direct Marketing Association, email marketing's return on investment is said to be 4,300 percent. That's a phenomenal opportunity for a small business to get the attention of buying loyal customers.

It certainly pays to be buttoned up on your outbound mailings so you get the maximum attention from the low-cost tactic. There are several critical components of an effective emailing. Which would you give yourself high marks on?



MARKETING  
LAURIE MACOMBER

- From
- Subject Line
- Topics
- Calls to Action
- Mobile Friendliness

Email is a tough medium to master. About 91 percent of consumers check their email at least once a day, but 84 percent of emails are either marked as spam or deleted instantly. How to keep yours alive and well and appreciated is the question.

It starts with the "from" on the envelope. Is yours from a nameless entity or from a true person? Why not use the best of both worlds, leaving

no room for confusion? My "from" might say: "Laurie Macomber at Blue Skies Marketing." Open rates are better this way since I've clarified the email's source.

Next, your subject line. It's a big lever in getting people to actually open your email. Believe it or not, it's not how creative yours is — it's how informative it is! So don't worry about being a wordsmith. Just carefully consider what this particular edition of your newsletter has to offer your reader. Tell him/her that. Keep to 40 characters or less.

Now, what are you talking about this month? Having a theme for each edition of your newsletter, keeps it focused and also lively and engaging. Don't go astray in your topics and confuse readers by being all over the map. Instead, stick to a theme for the month. Maybe it's "working out" when your retail business sells health and wellness products.

With this month's common thread of "working out," you can touch on various related topics. They might be on nearby gyms and their hours, what to do when the weather's bad, playlists for energetic workouts, and the best gym bags (including the ones your store sells).

Make your overall theme and your related topics as relevant to the reader as possible. Whatever you talk

about, be sure to make the first two sentences killers! People don't read — they scan. Get the valuable information out early, even if it means recipients don't click through to read the whole article on your website. That's OK; over time they'll come to trust you as a fountain of knowledge, and come back (and click) often.

Now, regarding your Call To Action. Have just one — the big send-off. What offer can you make that fits perfectly with the established theme and is of true value, saving the reader dollars, not pennies? Make that offer. Readers will look forward to your next emailing, knowing you make significant and focused offers — and only one per issue. Keeping your CTA to just one discount puts a time stamp on the offer, too; it expires when your next newsletter comes out, or for 30 days — whichever comes first!

Just a word on mobile-friendliness. It's a must because, according to Experian, 65 percent of unique email opens in the fourth quarter of 2015 occurred on a smartphone or tablet. Wow! Here's a tip: Build your e-newsletter to be read on a smartphone first.

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

**“What offer can you make that fits perfectly with the established theme and is of true value, saving the reader dollars, not pennies? Make that offer. Readers will look forward to your next emailing, knowing you make significant and focused offers — and only one per issue. Keeping your CTA to just one discount puts a time stamp on the offer, too; it expires when your next newsletter comes out, or for 30 days — whichever comes first!”**

## NONPROFIT NETWORK

### BRIEFS

**Friends of the U.S. 36 Bikeway**, a community cycling program that launched on June 1, is looking for volunteers to lead rides for each community along the U.S. Highway 36 corridor between Boulder and Westminster, participate in biannual bikeway clean-ups and interface with businesses and local governments on the issues affecting bicyclists on the corridor. The newly launched program falls under the umbrella of **36 Commuting Solutions** and was established to promote bike commuting on the route through community-led efforts. The program convenes cyclists, governments and businesses to address the issues that affect cyclists and provide viable, long-term solutions, while introducing, promoting and preserving the newly opened bikeway.

### FUNDRAISERS

**Classical Revolution Northern Colorado**, an organization of classically trained professional musicians, held its **Second Annual Strictly Tango Gala** on July 1 at Club Tico in Fort Collins. The goal was to raise money to match a Fort Fund Grant for a series of children's concerts this summer called "Melody of Our Landscape."

Boulder-based **Glutino** and **Udi's** raised \$10,500 during May for the Celiac Disease Foundation to help drive celiac disease and gluten sensitivity diagnosis, treatment and research for a cure. Campaign donors received rewards including t-shirts, hydro flasks and Lululemon pullovers.

Fort Collins-based **Black Bottle Brewery**, **Cooper-Smith's Pub and Brewing**, **Fort Collins Brewery**, **Funkwerks**, **Horse and Dragon Brewing Co.**, **Jessup Farm Barrel House**, **McClellan's Brewing Co.**, **New Belgium Brewing Co.**, **Odell Brewing**

**Co.**, **Old Colorado Brewing Co.**, **Pateros Creek Brewing Co.** and **Three Four Beer Co.** are tapping their resources for "The House That Beer Built II," a collaborative community initiative with **Fort Collins Habitat for Humanity** to build a home in partnership with the Beavers family. The goal is to raise \$100,000 for the Beavers family home. Each brewery will fundraise through various events through August and will build alongside the homebuyers. **Go West T-shirt Co.** donated the shirt and printing for the project. **The Moot House** hosted a matching fundraiser during May, while **The Farmhouse** hosted "Chicken & Givin'" and donated proceeds from its fried chicken platters. **Mishawaka Amphitheatre** donated \$1 from every concert ticket during June. Other benefit events included a June 21 Arcade Tap Slam at **Pinball Jones**, a June 22 patio party at **Illegal Pete's**, and Bowling with Brewers, on June 23 at **Chippers College Lanes**. **Wilbur's Total Beverage** will match donations in July, and Townsquare Media will support the project with fundraising events and public service announcement throughout the project.

Fort Collins-based **Houska Automotive** held a free Garage Band Event on June 18 to raise funds for **Redeemer Lutheran Church's K-9 Comfort Dog, Cubby**. The goal was to raise \$15,000.

**The Human Bean** held a Guest Barista Day on June 9, with 10 percent of sales generated at its location at 1822 S. College Ave. in Fort Collins to benefit **Project Haiti** for an orphanage in Desire, Haiti. The Human Bean sponsors a 14-year-old girl, Nimrode, from the orphanage.

### GOOD DEEDS

The **Elevations Foundation** awarded \$48,000 in

scholarships on May 23 at its annual Celebration of Community at the Longmont Museum. The 20 scholarship recipients are 2016 graduates of Boulder Valley, Jefferson County, Poudre, St. Vrain Valley, Thompson, and Weld RE-4 school districts. Award criteria is, in part, needs-based.

### GRANTS

**Rob and Lola Salazar** donated \$500,000 toward the construction of the **University of Northern Colorado's Campus Commons** project. The gift comes through the couple's Denver-based **Salazar Family Foundation**, which works to encourage Colorado students to achieve their educational goals. Campus Commons is a \$73.6 million project that will serve as a gateway to the campus, a support hub for students and a showcase for UNC's music and musical theater programs. The building will include a 600-seat performance venue, a 400-seat multiuse auditorium, an art gallery and a student-run café. Campus Commons is to be located south of the University Center, near the intersection of 11th Avenue and 22nd Street. Construction is slated to begin in the fall and take two years to complete. UNC has committed to raising \$12 million toward the project. State funding of \$38 million and bonds backed by student fees will also pay for the building.

Longmont-based **First Nations Development Institute**, a 35-year-old nonprofit group that works to boost Native American communities, received a \$475,000 grant from the **Walmart Foundation** to launch a nutrition-education project. First Nations will use the money to run a culturally based "Nutrition Education for Native American Communities" project through 2017 and focus on 30 Native communities participating in the U.S. Department of Agriculture's Food Distribution Program on Indian Reservations,

also known as the commodity food program.

Two **Colorado State University** researchers who study tiny organisms and their roles in viruses and cancer received awards that will fund three years of research for their laboratories. **Rushika Perera**, an assistant professor of virology in the College of Veterinary Medicine and Biomedical Sciences, and **Tim Stasevich**, an assistant professor of biochemistry and molecular biology in CSU's College of Natural Sciences, each received \$225,000 **Webb-Waring Biomedical Research** awards through the Denver-based **Boettcher Foundation**.

To mark its June 30 grand opening at Village at the Peaks in Longmont, **Sam's Club** awarded a total of \$35,000 in grants to local organizations — including \$25,000 to the **Longmont Humane Society** for its Well Pet Clinic. Other organizations receiving grants included **Colorado Friendship**, **HOPE for Longmont**, **Longmont Startup Week** and **Meals on Wheels**.

After a month of sales, Boulder-based **Polar Bottle** gathered \$2,684.76 in revenue from online sales of its limited-edition Pride bottle to donate to a **Pulse Nightclub victims' fund**. The 24-ounce bottle emblazoned with a rainbow graphic, was not intended as a fundraising item when the company launched it June 1. Instead, the limited edition bottle was meant to celebrate the start of Pride Month and — for the first time publicly — show the company's solidarity with the lesbian, gay, bisexual and transgender community. Soon after the shooting at Pulse in Orlando, Fla., that left 49 people dead and scores injured on the morning of June 12, the company arranged to donate all bottle sales to victims, and their families, through a fund set up by LGBT civil rights group Equality Florida.



# Business confidence healthy — but dipping

By Dallas Heltzell  
dheltzell@bizwestmedia.com

BOULDER — Optimism remains strong among business leaders in Colorado as they enter the third quarter of 2016, according to a quarterly index released June 30. However, the report by the University of Colorado Boulder's Leeds School of Business also predicted that that confidence could sag a bit before the fourth quarter begins Oct. 1.

The Leeds Business Confidence Index showed an overall reading of 54.6, down from the 55.4 it recorded at the beginning of the second quarter in April. Leeds predicted an overall confidence reading of 51.9 by the time the fourth quarter begins.

Third-quarter expectations have fallen by 3.6 points and fourth-quarter expectations have fallen by 1.6 points from the same quarters in 2015.

"The state has been experiencing a slowdown in growth, but still a healthy growth," said economist Richard Wobbekind, executive director of the Leeds School's Business Research Division, which conducts the quarterly index.

Even so, nearly all the metrics in the third-quarter index — the state economy, industry sales, industry profits, capital expenditures and hiring plans — still indicate positive



WOBBEKIND

expectations, scoring 50 or higher for the 19th straight quarter. The notable exception is expectations about the national economy, which have been in negative territory since the fourth quarter of 2015.

Business leaders were surveyed for the Leeds third-quarter report before the United Kingdom's referendum on exiting the European Union last week. At that time, Wobbekind said, business people's top concerns were the upcoming U.S. election, commodity and energy prices, and interest rates and federal policy,

State economy expectations were essentially flat at 57.4 in the third quarter, up from 57.3 entering the third quarter, ahead of the second quarter; Profit expectations rose from 56.7 to 56.9, while capital-expenditure expectations climbed from 54.1 to 54.4. However, sales expectations dipped from 59.5 to 58.6, hiring expectations fell from 55.6 to 53.9, and confidence in the national economy decreased from 49.5 to 47.2.

The Leeds report noted that Colorado's unemployment rate remained lower than the national level, even though it increased to 3.4 percent in May from a 15-year low in March of 2.9 percent. The national jobless rate in May was 4.7 percent.

The Boulder metropolitan statistical area saw a strong year-over-year increase in employment growth, posting a 2.7 percent gain in May, compared with the same month last year. The previous Leeds report compared

employment growth in February to the same month in 2015, and Boulder posted a 1.8 percent gain.

While responding panelists represent nearly every industry in the state, the largest percentage of respondents to the Q3 survey were: Professional, Scientific, and Technical Services (21.7 percent); Finance and Insurance (17.7 percent); and Public Administration (11.7 percent).

The Fort Collins-Loveland area saw May 2016 employment growth at a clip 3 percent faster than the same month in 2015. It had done 3.8 percent better in February than in February 2015.

Greeley had a slower February this year than it did in the same month last year, with employment growth edging downward 0.6 percent. It rebounded a bit in May, however, scoring 1.4 percent better than it had in May 2015.

Year over year, the biggest employment gains in May were 7.1 percent growth in the construction sector. Leisure and hospitality were ahead 5 percent, and education and health services saw 3.1 percent growth.

About 21.7 percent of the surveyed panelists in the new Leeds report came from the professional, scientific and technical-services sectors, while 17.7 percent came from finance and insurance businesses, and 11.7 percent were public administrators.

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

## Boulder, FoCo home-price stability cited

By Dallas Heltzell  
dheltzell@bizwestmedia.com

Boulder has topped finance site SmartAsset's annual list of the housing markets with the most stable growth, but this time Fort Collins and Denver joined it in the top 10.

SmartAsset defines "stable growth" as markets with both solid upward home-price growth and a low probability that homes would have declined in value by at least 5 percent within a decade after the home was purchased.

The site looked at the 358 housing markets in America from 1991 to the present, and noted that over that 25-year period, the Boulder metropolitan statistical area — basically meaning Boulder County — has had the most stable growth in the nation. The

area recorded a 308 percent housing-price growth rate since 1991 and has suffered no significant price declines over the period, SmartAsset noted, and the area has the highest average home appreciation of any city in the study.

Fort Collins rose to sixth on the list this year. According to 2014 data from the U.S. Census Bureau, about 311,435 people live in the Fort Collins metropolitan statistical area — which encompasses Larimer County. SmartAsset's report noted that "employees there work in several different industries, including manufacturing, and its tech industry seems to be growing thanks in part to opportunities provided by Colorado State University." SmartAsset said the Fort Collins area has seen 246 percent home-price

growth since 1991 and has only a 5 percent chance of seeing a decline in home prices.

Denver moved up to ninth on the list, with 217 percent growth in home prices over the past 25 years. "As you weigh the pros and cons of purchasing a home in the area, it's important to take multiple factors into account," the study said. "While there has been a 270 percent total growth rate since 1991, the Denver-Aurora-Lakewood housing market ... has seen home prices drop significantly at times during that period." SmartAsset assigned the Denver area a 17 percent chance of seeing home-price declines.

The area around Austin and Round Rock, Texas, came in second on the list, followed by Casper, Wyo.; Bismarck, N.D.; and Midland, Texas.

### THE TICKER

#### Report: Unfilled software jobs in Boulder worth \$50 million

Software companies in the Boulder area are struggling to find qualified applicants to fill open jobs even though they're offering some of the highest wages in the country and operating in an area with the U.S.' fifth-highest concentration of software developers, according to a new report. According to the study released Friday from ACT, The App Association, about 460 software-development jobs are unfilled in Boulder, with an average salary of \$110,000 — about twice the average overall salary in the area. The report, titled "Six-Figure Tech Salaries: Creating the Next Developer Workforce," noted that software developers contribute more than \$600 million in annual income to the Boulder-area economy, the report found. "Boulder has one of the highest concentrations of software developers in the country, but there aren't enough to meet demand," said Jonathan Godfrey, vice president for public affairs at ACT, The App Association. "This means that about \$50 million in annual income is left on the table by companies unable to hire developers. The problem is that we aren't teaching students the necessary skills from an early age. Barely one in eight high schools teach AP (advanced placement) computer science across the country, which leaves many students unable to pursue it at the college level and qualify for these lucrative jobs."

#### NoCo employers projecting 2.8% wage increase for 2017

Northern Colorado employers are projecting a 2.8 percent annual wage increase for 2017, according to a new survey. The Mountain States Employers Council conducted the annual survey of employers across the state, with about 400 participating from a range of industries including government, manufacturing, oil and gas, nonprofit, finance/real estate, insurance, health care, retail/wholesale, service, construction and utilities. Statewide, employers surveyed are projecting a 2.8 percent increase in annual wages for next year as well, in line with projections in past surveys for 2015 and 2016. Like Northern Colorado, the Denver metro region, including Boulder, fell in line with state expectations of a 2.8 percent increase for 2017, as did Colorado Springs. Projections elsewhere, meanwhile, came in at 2.5 percent for the Western Slope, 2.7 percent for Pueblo and 3.3 percent for resort areas. The Northern Colorado projection is up from a projection of 2.5 percent from last year's survey. By industry, employers in the finance/real estate sector are projecting the largest wage growth for next year at 3.5 percent. The oil-and-gas industry is anticipating the lowest percentage increase at 1.8 percent.

#### Report: Women hold just 7.4% of top jobs at Colo. public firms

Women's stake in the number of top corporate executive positions at Colorado's publicly traded companies in 2015 rose only slightly. A study from S&P Global Market Intelligence found that women held 7.4 percent — or 37 out of 501 such positions in 2015. That's compared with 37 out of 507 in 2014. The second-highest paid among the group was Broomfield-based Level 3 Communications' Laurinda Pang, regional president of North America and Asia-Pacific for the telecom giant.



# Don't be fooled by Senate's GMO fake-labeling bill

**P**ro-GMO labeling supporters were planning on celebrating on July 1, the date when Vermont's legislation became the first mandatory GMO labeling law of the land.

The state's bold initiative protecting the consumer's right to know compelled major food companies including General Mills, Campbell Soup, Kellogg and others to announce they would label for genetically modified organisms not just in Vermont, but throughout the United States, just as they have to do in 64 other countries.

Instead, just as we were beginning to see actual GMO disclosures in plain English on food packages across the country as a result of the Vermont law, a new bill introduced in the U.S. Senate on June 23 seeks to overturn Vermont's law and ban states from ever passing GMO-labeling laws altogether.

Unlike Vermont's law that requires plain English on the ingredient panel, the Senate bill — the National Bioengineered Food Disclosure Standard — introduced just one day before the Fourth of July holiday

recess by ranking Senate Agriculture Committee members Debbie Stabenow, D-Mich., and Pat Roberts, R-Kan., calls for a watered-down national standard that would offer manufacturers the option of placing cryptic QR code symbols linking to websites or toll-free numbers on packages instead of plain English text to disclose if GMO ingredients are present.

Those using QR codes or "smart-labels" instead of English text would have to add a phrase such as "Scan here for more food information" but would not be required to use the term "GMO" or "Genetic Engineering" on the label — a key point to which GMO-labeling proponents strongly object.

In concession after concession to the biotech industry, the Senate bill also would tightly define genetic engineering so that all new untested biotechnology methods, such as CRISPR and gene editing, would be exempt from national disclosure standards. Foods refined to have the DNA removed would be exempt from any GMO labeling requirements, such as refined sugar from GMO sugar beets, corn syrup from GMO corn and oil from GMO canola. Milk or meat from animals fed GMO feed would be exempt from GMO labeling; similarly food sold in a restaurant "or similar food retail establishment" would not

be required to label for GMOs.

While Vermont's law calls for stiff noncompliance penalties of \$1,000 per day per product, there is no such penalty under the Senate bill. USDA would have no authority to require recalls of products that don't comply with the labeling requirements, and there would be no federal penalties for violations.

By pre-empting Vermont's law immediately, along with calling for a two-year delay in any implementation of a national standard — combined with loopholes so big you could drive a truck through them — the Senate bill is the federal GMO labeling standard that isn't.

In a concession to the organic industry, prompting a controversial endorsement of the Stabenow/Roberts bill from the Organic Trade Association, producers who have secured a Certified Organic designation from USDA would be allowed to display a "non-GMO" label on their products.

Three leading voices in the "healthy" food sector also urged support for the Senate's bipartisan compromise on GMO labeling. During a panel at the 2016 Aspen Ideas Festival, Walter Robb, co-chief executive of Whole Foods Market, Jeff Dunn, president of Campbell Fresh, and Sam Kass, a former White House adviser who now works with food companies, all praised Roberts and

Stabenow for coming to an agreement on a national solution.

Kass said he'd prefer on-pack labels, but argued that advocates got 75 percent of what they wanted and the deal should be supported.

But why? We had 100 percent of what we wanted with clear, mandatory, on-pack, English language labeling in the Vermont law — a straightforward law that already was compelling companies to label for GMOs across the nation. The Senate bill would kill that in favor of a loophole-ridden, voluntary-driven regulation that would favor corporations, not consumers.

Asking time-pressed moms — 93 percent of whom want GMO labeling, by the way — to photograph QR codes in stores that will take them to company websites to find out if a product they want to buy for their families contains GMOs isn't going to work. Asking the big brands to pretty please fess up on GMOs isn't going to work, either. It never has. Voluntary on-pack GMO labeling has been in place for decades. Same lipstick, same pig.

Don't be fooled by the Stabenow/Roberts compromise. Vermont is the labeling law we want, in plain English.

*Steven Hoffman is managing director of Boulder-based Compass Natural.*



**GUEST OPINION**  
STEVEN HOFFMAN

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# BizWest

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# BW COMMENTARY

## Cheers to compromise on grocers' alcohol sales

It was not a perfect solution but, all in all, we're pleased that Gov. John Hickenlooper signed Senate Bill 197, allowing grocery-store companies to phase in the sale of full-strength beer and wine over 20 years. Current law limits grocery stores to selling full-strength beer, wine and other alcohol to just one location statewide.

We're even more pleased that a potentially destructive ballot measure allowing broader sale of alcohol by grocery stores was withdrawn from the November ballot.

It's obvious that the governor — one of the pioneers of Colorado's craft-brewing industry through his Wynkoop Brewing Co. — agonized over whether to sign the bill, fearing its impact on the craft-brewing industry and independent liquor stores.

"In the end, I was persuaded by a majority — and I think it probably was a significant majority — of the independent liquor store owners, who wanted us to sign this bill," Hickenlooper told Colorado Public Radio. "They were basically forced into this compromise by a looming threat of a ballot initiative which literally, in the course of one vote, they would lose some significant part of what they worked so hard to create."

Thanks to Hickenlooper's signing of the bill, that ballot initiative, which would have allowed full-strength alcohol sales at 1,600 Colorado grocery stores, was pulled from the ballot by Your Choice Colorado, which was backing the campaign.

Many independent liquor stores supported the legislative compromise. The measure requires grocery stores within a 1,500-foot radius of a liquor store to buy out that license before they can sell full-strength alcohol. Grocery-store chains would be limited to selling liquor in 20 of their stores statewide for 20 years.

Significantly, the compromise also allows liquor stores to sell food, something they were prohibited from doing under the old law.

Some grocery stores will begin selling liquor in 2017, with others phasing out 3.2 beer and replacing it with full-strength beer by 2019. Liquor licenses will be available to all grocery stores by 2037.

It's likely that no one is completely happy with this compromise — not the grocery stores that sought unfettered ability to sell alcohol, not the liquor stores that feared competition from well-heeled grocery chains and not the craft brewers that feared loss of shelf space from having to deal with out-of-state buyers.

But that's the nature of compromise.

## Expanding the IQ Awards

Feeling innovative? This is that time of year when BizWest solicits nominations for the IQ Awards, honoring the innovation quotient among Boulder Valley companies — except, this year, the program will be expanded to encompass Northern Colorado as well.

It's only fitting. One of our predecessor publications, the Northern Colorado Business Report, founded the IQ Awards many years ago. It quickly was picked up by the Boulder County Business Report, even as it was discontinued in Northern Colorado.

But the time feels right to expand the program once again, given the incredible innovation coming out of Larimer and Weld counties.

This year's program is scheduled for Oct. 5 at the Plaza Convention Center in Longmont. Categories won't be finalized until nominations are submitted and vetted, but we typically see nominations in the aerospace, bioscience, business products, cleantech, computer hardware, computer software, consumer products, Internet, mobile apps, nonprofits, and sports and outdoors categories.

The IQ event itself also is being expanded. The pitch-slam session will occur in the early afternoon, concurrent with a mini Innovation Summit. A reception at the end of the day will be followed by the awards presentation, including audience selection of the overall Innovation of the Year.

Here are the award categories and criteria:

**Innovator(s) of the Year** honors an individual entrepreneur or researcher. An entrepreneur will be considered for fostering a culture of innovation within his or her company, while a researcher or team will be considered for a major discovery or innova-

tion.

**Innovative Company of the Year** recognizes a company for promoting a culture of innovation in the region.

**Incubator/Accelerator of the Year** honors an incubator or accelerator that has had a major impact promoting innovation in the Boulder Valley or Northern Colorado.

**IQ Awards for Innovative Products or Services** honors products and services that have demonstrated a high degree of innovation, with strong market potential. Up to seven honorees will be named for innovative products or services, broken down into categories.

Judges are looking for products or services that are truly "innovative" — entries that stand out from the crowd, ideas that are very creative and perhaps even unique.

Judges review innovations from both new companies and those already successfully doing business.

The idea should be one that can lead to a "sustainable" successful business. For example, one that is not just a design on a napkin but a product or service that has the best potential to help build or grow a successful company.

The product or service should be introduced during the last 18 months in the marketplace, or at least in a testing or beta situation where actual or potential customers already are using it.

The product or service doesn't have to have made money, but it must show a potential for profitability and survival of the business.

Priority will be given to ideas that are clever, unique, creative; not on "slickness" of marketing materials. A company that has won a previous IQ Award can win again for an entirely new product or service.

Submit nominations at [www.iqawards.com](http://www.iqawards.com).

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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.  
43%

I love it. It's about time that salaried employees got their fair wages.  
43%

No big deal. This won't affect me much.  
13%

### Next Question:

Who will you support for U.S. Senate from Colorado?

- Michael Bennet
- Darryl Glenn
- Someone else
- Undecided

Visit [www.BizWest.com](http://www.BizWest.com) to express your opinion.

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# Boulder, Xcel must work to achieve decarbonization

**A** message from the board of Boulder Tomorrow to the Boulder City Council:

We were greatly encouraged to hear that representatives from the city of Boulder and Xcel Energy have recently agreed to work together on a clean-energy

plan to meet our collective climate change goals. Both the city of Boulder and Xcel Energy have a strong focus on the importance of renewable energy, efficiency and other programs

that can help to reduce our carbon emissions, and by working together we can achieve our clean-energy goals faster and in a way that will impact a larger number of people.

Following several years investigating the possibility of forming a municipal utility to achieve the city's climate-change goals, we have been inspired to see Xcel focus on developing more clean-energy choices that customers in Boulder and around the country are demanding. Through working together to bring these

choices beyond the city limits and across the state, Boulder and Xcel can share a great success story of helping to make cleaner energy available to millions.

We are compelled to reiterate and add to the community conversation a few key stats from Xcel's most recent corporate social-responsibility report. Significant progress on clean-energy sourcing and provision show that Xcel is on track to reduce carbon dioxide emissions by more than 30 percent by 2020 and has cut water consumption by 30 percent at its operations. In addition, the report states, "In 2015, carbon-free energy sources made up 34 percent of Xcel Energy's electricity supply and the company plans to grow its carbon-free energy sources to 43 percent by 2020. As the nation's No. 1 utility wind-energy provider for 12 consecutive years, Xcel Energy added four new wind farms in 2015, increasing its wind capacity 15 percent. The company expects wind to make up 24 percent of its electricity supply by 2020. Xcel Energy also expects to triple the solar energy on its system by 2020."

These numbers are especially significant for a utility that serves mil-

lions of customers across eight states, and we can only expect to see the pace of renewable-energy adoption increase as the cost curves for solar, storage and wind continue to come down. For example, Xcel recently proposed the new \$1 billion Rush Creek Wind Farm project, which would add enough clean power for 180,000 homes.

In addition to this focus on rapid adoption of existing clean-energy technologies, Xcel recently has partnered with just two other utilities in the country to launch an investment fund called Energy Impact Partners focused on supporting innovative clean-energy entrepreneurs. This commitment to funding innovation in the energy industry shows the company's focus on creating a cleaner, more flexible and resilient electric grid for the future.

Boulder also has recently increased the city's focus on innovation for the energy industry, through launching programs such as the Boulder Energy Challenge and participating in workshops such as the Rocky Mountain Institute's eLab Accelerator. Through further connecting with local energy-innovation partners such as the Colorado

Cleantech Industry Association, the Innovation Center of the Rockies and Innosphere, along with the many national labs and entrepreneurs in the area, the city can help to promote additional flexibility on the grid. Programs supporting electric vehicles, solar, storage, and more all would add tremendous benefit to our community's power system.

All of this is meant to emphasize the pragmatic rationale for partnering with Xcel, not spending years suing it.

We are fortunate to have a progressive partner as our local power provider, and we look forward to seeing the details of the clean-energy plan that could serve as a model for other communities around the state and country who also are focused on the challenge of climate change. Together, we can achieve our clean-energy goals faster and in a way that will impact millions of people.

Keep at the constructive negotiations, and congratulations on what your recent announcement implies as valuable progress.

*Dan Powers is executive director of the nonprofit Boulder Tomorrow board of directors.*



**GUEST OPINION**  
DAN POWERS

## COMMENTS

*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: "Tiny homes, small-scale living getting big," June 10

Commenter: Mike Fillion

"Tiny homes are an excellent idea. There are those of us who don't require a lot and tiny homes are the economical and practical way to go. I hope Denver moves to allow tiny homes!"

### Story: "Editorial: One more appeal for a special session," June 10

Commenter: RyanH

"I think you're wrong as to a proposal for \$3.5 billion in road improvements. Thoughtful people recognize that it's the land speculators and real estate developers who are pushing this; and that their continuous pushing for

more growth is causing the congestion. Yes, I-25 is bad. But push the costs where they belong: on those in the development industry who profit from all the population growth that they push.

In any case, any relief would be short-lived, as those same profiteers will fill up the new lanes just as fast as they're built."

### Story: "McWhinney hires Harris to manage North Park," June 21

Commenter: RyanH

"yet more I-25 auto intensive development. And they and their local gov't puppets will join the chorus complaining that we need more public funds to expand I-25 to deal with all this congestion."

### Story: "Banner Health hires new CEO for Northern Colorado," June 24

Commenter: Susan Kirkpatrick

"Great news for the region. Margo Karsten is a talent!"

Commenter: Jeannette Fraser

"Fantastic news for Banner. They have made an excellent choice."

### Story: "Weld County approves drilling operation near middle school," June 30

Commenter: energyideas

"That is one and one-half foot ball fields away from the school. Hope the kids can breath while they do their exercises outside."

### Story: "Luxury-home brokerages in Boulder to combine forces," July 1

Commenter: joanknudson

"Congratulations, Jim Bodin!"



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