

# BizWest

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THE BUSINESS JOURNAL OF THE BOULDER VALLEY AND NORTHERN COLORADO

VOLUME 38 | ISSUE 11 | OCTOBER 2019

## THE NEXT FRONTIER

Colorado led the nation in legalization of recreational pot, generating billions in economic impact. Five years later, investors and entrepreneurs are betting that CBD and hemp will constitute the next frontier.

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SPECIAL REPORT  
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JOEL BLOCKER / FOR BIZWEST

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### Upcoming BizWest Networking Events

**40 under Forty**  
Northern Colorado  
October 30, 2019  
The Ranch, Loveland

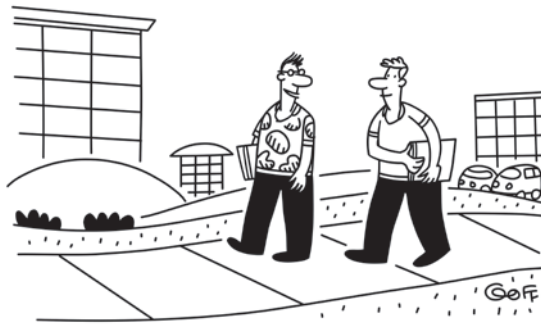
**IQ Innovation Quotient Awards**  
November 7, 2019  
Dairy Arts Center, Boulder

**Boulder Valley Real Estate Conference**  
November 21, 2019  
Embassy Suites, Boulder

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"I'll be back in twelve years. Cover for me."

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### ■ 40 under Forty

Northern Colorado  
October 30, 2019  
The Ranch, Loveland

### ■ IQ Innovation Quotient Awards

November 7, 2019  
Dairy Arts Center, Boulder

### ■ Boulder Valley Real Estate Conference

November 21, 2019  
Embassy Suites, Boulder

## QUOTABLE

**"If it's (CBD) a cure-all for everything, then obviously, it's not believable."**

Maureen Leehey, a neurologist and medical researcher at the University of Colorado School of Medicine. **Page 10**



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# BW EXECUTIVE PROFILE



JOEL BLOCKER / FOR BIZWEST

Thom Schultz, president and founder of the Loveland-based company, Group Publishing, poses for a portrait with his wife, Joani, who's the company's chief creative officer, in the resource library on Aug. 9, 2019.

## Faith fuels Group Publishing founders

By Shelley Widhalm  
news@bizwest.com

LOVELAND—Forty-five years ago, Thom Schultz of Loveland wanted some ideas for his youth group but didn't find the resources, so he started a ministry magazine called "GROUP."

Thom, who initially worked at a card table in the spare bedroom, turned what he produced on a typewriter into a multi-platform Christian publishing company with the well-known household name of Group Publishing Inc.

"It was very humble and small," said Thom, president and chief executive officer of Group Publishing, about the tabloid-sized magazine in its first couple of years. "In fact it was printed on newsprint."

Thom started Group Publishing in October 1974 with a budget of \$500 and over the years never took out a loan or got an investment. He saw the company through many office moves before it settled about 20 years ago at the current site at 1515 Cascade

Ave. The moves accommodated the company's multiple expansions as it added products and services from vacation Bible schools to Christian music videos.

Initially, Thom worked as a television reporter after graduating in 1973 from the University of Colorado with a degree in journalism — he also freelanced while in college, spending a total of 10 years in the field. He worked by day covering news for Channel 9 and also served as a youth group leader in his church, finding it difficult to come up with good ideas every week for the group. He searched for resources but in the 1970s found there was little out there for youth ministry, so he got the idea that others might need the same help.

Thom started with his magazine solely, then three years into operations added weeklong service projects. He brought in youth groups to help with rebuilding efforts following the Big Thompson Flood, announcing the need through his magazine. More than 300 youth helped while triage

on flood victims was conducted in a horse pasture where the company now makes its home. In a way, the company now provides triage for the church.

When the company was about 10 years old, Joani Schultz, now Thom's wife, joined the company as an editor and later became chief creative officer, overseeing the company's creation of resources, training and services for ministry and church leadership.

Joani, who earned a degree in social work but worked in youth ministry settings, met Thom at a conference in 1982. A year later, Thom was searching for an editor, and two of his friends mentioned Joani's name. Thom recalled meeting her at the conference, where she had led a youth ministry workshop.

"Then over time, we got to know each other and found out we have a lot in common," Thom said, adding that they fell for each other and married in 1984; they are celebrating their 35th anniversary this year and have a son and granddaughter.

Joining Group was a perfect fit for Joani, she said.

"It's who I am. It's who we are," Joani said. "It's a way we can express our gifts and abilities. And why we're passionate is because what we do is life transforming for people who experience it."

Over the years, the company expanded into many areas of ministry, including service projects, mission trips and other types of publishing, such as Christian books, Bibles and curriculums. The company broadened beyond youth ministry to all age groups and provides a full line of resources for churches of all denominations across different Christian perspectives. Those include children's ministry, adult ministry and church leadership.

The company grew in other ways, too, such as adding conferences for youth groups and youth leaders, day camps and materials for Sunday school curriculums and vacation Bible schools. The company's VBS, in its

Please see **Schultz**, page 37





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# Louisville enacts state's latest oil, gas moratorium

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

Louisville is the latest Front Range city to restrict oil and gas operations in the aftermath of Senate Bill 181's passage. The Louisville City Council unanimously adopted an emergency ordinance to impose a six-month moratorium as soon as any company files a permit to drill in the city, and require oil and gas companies to make a separate registration with city officials alongside the state application. There are no active wells in the city, and no company has filed to drill within city limits since 1999. The moratorium is a hedge against an operator filing for a permit and requiring the city council to scramble for a response in case council members aren't available for an emergency meeting or if new councilors want to review city policy more closely.

Posted Sept. 18.

## CU researchers begin work on water security

A group of researchers at the University of Colorado is set to begin work on a \$100 million project to improve water security across the

## NEWS DIGEST

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United States. The researchers are part of the Energy-Water Destination Hub, a project funded by the U.S. Department of Energy to devise new ways to treat and filter water. The National Renewable Energy Laboratory in Golden also is a member of the multi-institute group.

Posted Sept. 26.

## Greeley to alter water rules for new buildings

The Greeley City Council is on the verge of changing how much water a developer needs to have secured before it can break ground on non-single-family buildings. According to a proposal on the council's agenda, commercial and mixed-use developments would have to provide raw water rights or cash-in-lieu fees to the city based on how many units are built multiplied by the estimated amount of water it expects to use.

Those uses range from as low as 5 gallons per square foot annually for warehouses to 188 gallons per square foot for restaurants. Each new hotel or motel room in the city will be estimated to need 30,300 gallons per room annually, while new multi-family units will need 35,500 gallons of water per unit.

Posted Sept. 16.

## Urban-Gro files for public trading

Lafayette-based Urban-Gro Inc., a firm specializing in engineering and maintaining marijuana and hemp growhouses, is debuting on the public markets. According to filings with the U.S. Securities and Exchange Commission, the company proposes to put 1,799,150 shares worth of current shareholder equity on the over-the-counter QX market at approximately \$2.41 per share, producing approximately \$4.33 million for those early investors. Urban-Gro said it will not receive any proceeds from the offering, but could make up to \$1.96 million if all of its outstanding stock warrants are exercised. Proceeds from the offering will go to the selling shareholders, who should expect to see proceeds of more than \$4.3 million.

Posted Sept. 17.

## Four utilities study ways to collaborate

Four Colorado utility companies are evaluating whether to join an energy imbalance market. The companies, Xcel Energy, Black Hills Energy, Colorado Springs Utilities and Platte River Power Authority, are studying whether their individual energy capacities can be joined in a way to drive lower energy costs for customers. An energy imbalance market is a real-time market in which energy generation from multiple power providers is dispatched at the lowest possible cost to serve the combined customer demand of the region. The results of the study, which is being conducted by the Brattle Group, were expected by the end of September with a decision expected by the end of the year.

Posted Sept. 9.

## Plutonium blocks Jefferson Parkway

The Jefferson Parkway, a continuation of the loop around Denver, has stalled again, this time because of contaminated soil at the former Rocky Flats nuclear plant. The parkway was put on hold over the Labor Day holiday weekend when plutonium was found in soil samples.

Posted Sept. 3.



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JONATHAN CASTNER/FOR BIZWEST

Distortions Unlimited Corp. of Greeley produces monsters like this one

# Halloween firms scare up business

By Shelley Widhalm  
news@bizwest.com

In the last couple of years, mask and prop maker Josh Randall couldn't help noticing a resurgence in scare acting over big budget animatronics.

Randall, founder and owner of Kimbark Cemetery Productions Inc. in Longmont, saw large-scale animatronics gain hold in the early to mid-2000s as haunted attractions and theme parks brought them to their spooks and rides. Smaller amusement parks soon followed wanting to get into the haunts market to attract the crowds, he said.

Then in 2018 and again this year, Randall realized the market wants more of a live acting and theater approach to scares as opposed to animatronics, which use pneumatic operations to imitate the monsters and scary creatures of haunted houses.

The move to live scares is good for business, since Randall provides the tools, props and masks, plus small animatronics, for home haunters, scare

actors and collectors.

"We're starting to see a resurgence of consumers wanting to see live action," said Randall, who has 20 years experience scare acting, building props, making masks and helping run home, charity and commercial haunts. "I'm seeing more and more smaller haunts pop up focused on scare actors. Consumers want a live, real atmosphere."

Over the years, Randall changed the scope of what he does to meet the desires of the haunts market. He got started in designing and building props, masks and small animatronics for Halloween in the late 1990s when he built an animatronics electric chair to scare neighborhood trick-or-treaters at what would eventually be his mother-in-law's house. After he and his wife, Jen, married in 2010, they turned their backyard into an annual yard haunt, which they grew over the years by adding props and effects and bringing in family and friend volunteers. They operated the home haunt from 2013 through last year's Halloween season.

At first as Randall tried to shop for pieces for his haunts, he noticed an underserved niche in the haunting market. Mid-level commercial and home haunts often didn't have the budget for high quality and expensive props, masks and costumes, but they also couldn't get the use they needed out of the mass produced, seasonal pop-up store products, he said. Props, too, were expensive and mass produced, making it difficult for haunters to be unique with their haunting scenes, he said.

In 2019, Randall founded Kimbark Cemetery Productions to provide quality props and quality, safe and comfortable masks that can be worn for the long hours that scare acting can require, while also bringing the price down by several hundred dollars, he said. He uses an old-school handcrafted, hand-pouring casting process, followed with hand painting.

"(Haunters) needed something that is durable that is designed to be worn for upward to 12 hours a night," Randall said. "If I can make a sketch and look at it and I'm disturbed by it

... that will be a fun one to turn into a mask. Generally, if it's got something to do with horror and makes me feel disturbed, then it's a mask for the website."

Randall named Kimbark Cemetery Productions after his home haunt on Kimbark Street.

"We called it Kimbark Cemetery as a joke," Randall said. "We decided to keep the name when we launched the website."

Randall won't be doing a home haunt this year and instead will partner with the Empty Grave Haunted House in Denver to help design, build and operate a commercial haunt there.

"For a lot of people, it's really energetic; they like the adrenaline response," Randall said. "It's safe and family-oriented. It's a safe environment to get that adrenaline."

Ed Edmunds, co-owner and president of Distortions Unlimited Corp. in Greeley, saw the large-scale creepy scene take hold with his creation of an electric chair haunt prop that he presented at a Halloween trade show





JONATHAN CASTNER/FOR BIZWEST

Workers at Distortions Unlimited Corp. move a gargoyle-like monster.

in 1996. The electric chair used motors and pulleys for a fright scene, yanking around the creature getting the shocks. Edmunds expected to sell six of them, not more than 200.

“We were there as it all was changing, and we happened to come up with a crazy product,” said Edmunds, who

owns Distortions Unlimited with his wife, Marsha Taub-Edmunds, vice president, and started the business in 1978 with her joining five years later.

Edmunds recalls growing up around charity-driven haunted houses with lots of black plastic and paper skeletons and cheaply made

costumes.

“They weren’t elaborate deals,” Edmunds said, adding that his introduction of the electric chair prop “launched a surge of much more elaborate, higher attended haunted houses.”

Theme parks followed by bringing

in haunted houses and rides in the late 1990s or early 2000s to extend their summer season by a month, Edmunds said.

“It’s become a big thing largely because they put crazy props up and started seeing what it did and investing more in haunted houses,” Edmunds said, adding that today, the computer has changed the industry even further with his electric chair down the list at places two or three. “We were there as it all was changing, and we happened to come up with a crazy product.”

Edmunds had to reinvent his business several times over the years as he saw the monster, mask and prop industry change — he does his work in a 44,000-square-foot warehouse with a staff of 20. He started out making hand-painted masks and body parts but found it hard to compete with imports, so he entered the large displays and props market. He manufactures his haunts for a variety of customers, such as haunted houses, home haunters, Halloween retailers and theme parks.

“When the electric chair came along, the company shifted again and went into animatronics and left behind some retail masks and things,” Edmunds said. “Even though I have some very nostalgic feelings growing up with monsters in the ‘60s and ‘70s, there’s never been a better time for buying monsters, full body or masks. ... There’s something in the human spirit that likes pushing it to the edge, and monsters can do that. Monsters can be pretty crazy.”

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DAN ENGLAND / FOR BIZWEST

Susana Montes chats with her nephew, Alberto Serrano, at Janie's Cafe in downtown Longmont. The family discovered Janie's years ago after her husband Lionel began going there before work. Now they go almost every day.

# Diners create a down home, family feel

By Dan England  
news@bizwest.com

When Danielle Catmull watched the staff at her grandmother's cafe bust their hineys every day, she made a pact with herself: She did not want that life.

Janie Madewell had a great story by then. She was a waitress who quit her job at a greasy spoon to start her own down Main Street. Other waitresses and customers followed her, and Janie's Cafe became a fixture of downtown Longmont, a place, like many diners, where you could get an affordable, fast, no-frills meal and hear a kind hello, probably followed by your name, if you came back. It was quaint and cute and homey, and Catmull, who began working there as a hostess when she was 11, wanted no part of it. Later, she even had a way out, a cosmetics job that paid well.

Yet at 1 p.m. on a Wednesday, she parked herself at a booth in the cafe and flipped through receipts. The place was full, as it usually is even when it opens at 5 a.m., but this was a relatively quiet moment while she waited on hash browns and pancakes for one of her customers. She loves her job, she said with a tired smile. She can take on eight tables at breakfast on Saturday because she knows what her customers want. The menu is the same as it was nearly 20 years ago

when Madewell opened, save for a few gluten-free options, and Madewell herself still prepares the cabbage burgers and meatloaf. Catmull left that cosmetics job and now manages Janie's. She is 32, and she is where she needs to be, even if the job is the same one that frightened her years ago.

"Saturdays kick my ass," Catmull said. "By the afternoon, I'm saying to myself, 'Please, not one more customer.' But I love the people here."

Those people include the guy on his 14th year cooking those hash browns, or the waitresses, some of them the same who followed Madewell to her cafe, or the longtime regulars, such as the Montes family in Longmont. Lionel Montes was working on street renovations downtown for a concrete company, and after he discovered Janie's tasty bottomless coffee, he would show up at 5 a.m., an hour before his shift, and enjoy the warmth before another hard day. He took his family there for breakfast on the weekends, and now they go nearly every day.

"I like that it's a hole in the wall," said Susana, Lionel's wife, who uses the term as a compliment. "The food is delicious. The green chili is amazing. People say to me, 'You're Mexican, why would you go to a place like Janie's? But the burritos are delicious.'"

Susana and her family don't like to go anywhere else, in fact, and that

## If you go

**Janie's Cafe**  
431 Main St, Longmont, CO 80501  
janies-cafe.com



includes extended family such as her nephew, Alberto Serrano, who is attending Front Range Community College. Whenever his family visited from California, they would go to Janie's as well.

"When this is closed we are bummed," Susana said. "We can sit here and drink coffee and chat. It feels like home."

That's the kind of feel that cafes across Northern Colorado sell along with the comfort food, and the concept has worked for decades. Johnson's Corner, known for its internationally known cinnamon rolls as big as a pothole, is as much of a tourist attraction as it is a truck stop. There's

the Sugar House in Eaton and the Mountain Cafe in Fort Collins and the Loveland Breakfast Club. Places such as Perkin's, Denny's and Village Inn have also proved that you can be a diner and a chain at the same time.

To that end, there's Doug's Diner in downtown Greeley, part of a growing line, with other locations in Fort Collins, Boulder and Centennial. The co-owners, Rick Bruening and his fiancé, Linda Hernandez, added Thornton and Arvada in 2018 and Windsor this year. They will open a spot in Parker in November. All Doug's diners are a bit different from each other, Bruening said, with Colorado State decor in Fort Collins and Buffalo items in Boulder, but they all attempt to model the feel of a small-town diner.

"The secret is good food and good service," he said. "It's just basic stuff, with a simple menu and delicious food. But we also wanted a place where everyone knows everyone. It's a 'Cheers' thing," he said, referencing the popular TV show that starred Ted Danson.

Bruening admits he didn't know what they were looking for, only that they wanted to open a restaurant after decades working in the fast-food industry, including McDonalds and Taco Bell, where they met. When they learned the Doug's franchise was for sale, the restaurant tickled his background of growing up in small-town



Nebraska and gorging on biscuits and gravy and hotcakes.

“We fell in love with the idea,” he said.

Some people aim for it, and others just come by it naturally, such as Country Inn in downtown Greeley. Country Inn burned down nearly four years ago after George and Evelyn Gatsiopoulos owned it for decades.

When the Inn burned, George thought about leaving it be. He still owned the Paragon with Evelyn, even if she ran things there. But he thought about his staff, some of whom had been there since they were teenagers, and he felt responsible for them. So he rebuilt, and though the place looks more modern, it’s still decorated like a home.

“We tried not to lose what we had before,” George said. “Whether it was a millionaire or a bum off the street, customer comfort is more important than anything else. If they feel as if they are stuck up, that could hurt our business. It wouldn’t have taken much more money to upgrade, but I didn’t want it to be overbearing.”

He is considering adding dinner, if he can hire the staff for it, because even though he did rebuild, he’s still 66 and feeling it. Plus his offerings fit his customers.

“We don’t try to sell a \$20 steak,” he said. “We don’t have executives and that’s OK.”

He is a good cook, even a chef at times. His hash browns are a delicacy, not just a side dish, and were



Danielle Catmull, manager of Janie’s, takes yet another order on a Wednesday afternoon. Catmull didn’t want to work for the restaurant when she was a teenager, but she eventually fell in love with the place.

DAN ENGLAND / FOR BIZWEST

often requested by customers who went to the Paragon after Country Inn burned. But he knows his niche. The Paragon, he said, and its Greek-influenced menu allows for more experimentation.

“We serve comfort food here,” he said.

He doesn’t want to retire, he said, because he can control the restaurant business, as volatile as it may be, not the stock market. He knows his cus-

tomers, and they know him. He knows he would miss that.

“Every time I’d drive by, I would be saying I made a mistake,” he said. “What else am I going to do? This is my home.”

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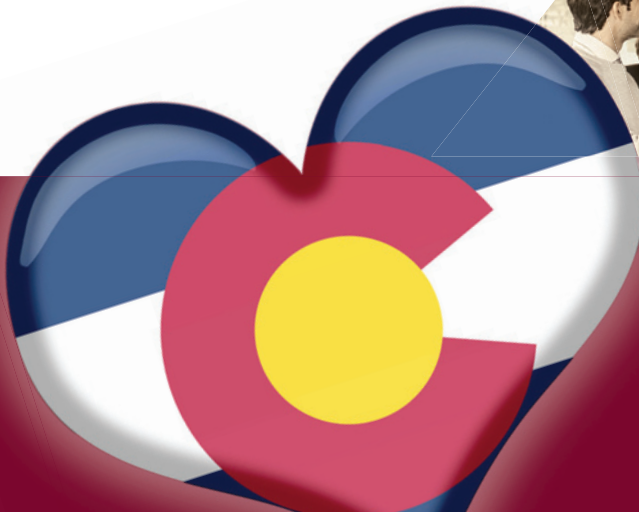
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# BW CANNABIS: THE NEXT FRONTIER

## Lots of questions

CBD has little medical research behind it, but that's not stopping marketing claims



By Dan Mika  
dmika@bizwest.com

Feeling stressed out in the morning? Why not drink some CBD with your coffee?

What if your dog is too hyper? There's a hemp-derived treat for Fido

Don't want to take CBD orally? How about putting it on your eyelashes as mascara, or dropping it in the tub as a bath bomb?

These are just a handful of ways companies are promoting cannabinoids, the marijuana and hemp-derived chemical that could become a \$20 billion market by 2024, according to one analysis. But in the Green Rush to get a slice of that business, medical and legal experts are concerned that the industry is leapfrogging regulation, which could harm CBD's image and potentially put deficient products on the market.

### What we know about CBD

Clinical studies are long and arduous for any company looking to put a drug on the market, with rounds of pre-clinical research and three phases of trials to make sure drugs are safe and effective.

It's even harder to do that research when your drug may or may not be a federally controlled substance.

Maureen Leehey, a neurologist and medical researcher at the University of Colorado School of Medicine, is running a pilot study to see if CBD can reduce tremors in Parkinson's Disease patients.

In order to get clinical-grade organic CBD, researchers first have to get a Schedule I license from the U.S. Drug Enforcement Agency, then get the substance from the University of Mississippi, which is the only entity that the U.S. allows to grow marijuana for research purposes. All of that comes before even beginning to ask the U.S. Food and Drug Administration for permission to start investigating a new drug.

Leehey said those strict rules mean the medical community doesn't know exactly how CBD can be used as a drug and how it is best delivered into the human body, and it is decades behind in building a body of scientific evidence.

"With the current laws, [it would take] 10 to 20 years," she said. "If we didn't have these very restrictive laws on cannabis products, it would be much closer to five to 10 years."

**"There's so much misinformation about CBD on the internet right now that it's almost impossible to get a good source regarding CBD."**

David Wunderlich, a cannabis lawyer with Denver-based McAllister Garfield P.C.

### Extracted from green, but in a legal gray area

The FDA considers putting CBD into food and drinks to be illegal, meaning your favorite CBD gummies, seltzer waters, jams and breakfast cereals are technically contraband.

David Wunderlich, a cannabis lawyer with Denver-based McAllister Garfield P.C., said the agency doesn't have the resources to fully enforce its rule, so it mainly issues cease and desist letters against the most egregious claims, like saying CBD has anti-cancer effects.

Most CBD products have escaped federal scrutiny by calling themselves dietary supplements, which takes far less regulatory scrutiny than drugs or

food. Under federal law, the makers of the supplements are responsible for making sure their products are safe and labeled correctly before going to market.

In other words, dietary supplements are safe until proven not.

That means CBD manufacturers have to walk a fine, yet ill-defined line as to what they say on labels based on how much risk they're willing to take. Wunderlich said some advertising has gotten around this problem by leaning on the public imagination of what CBD is and what it does (such as "promoting a healthy spirit," for example,) rather than making precise claims.

But the public's perception of cannabinoids isn't the same as getting a doctor's opinion, and Wunderlich said companies can use search engine optimization and other marketing tricks to promote their websites and bury unbiased studies and sources.

"There's so much misinformation about CBD on the internet right now that it's almost impossible to get a good source regarding CBD," he said. "... You can google 'is CBD legal in Oklahoma,' for example, and the first 20 results are going to be people trying to sell you CBD and saying of course it's legal."



For the record, hemp-derived CBD is legal for possession and sale in the Sooner State. In Colorado, CBD from hemp is legal if it's grown by a producer licensed by state health and agriculture agencies.

**Placebo and hype**

Almost all of the evidence about CBD's effectiveness is anecdotal, or from a non-clinical study. Earlier this year, four researchers in the state published a case review of 103 patients of a Fort Collins mental health clinic who were given CBD for sleep and anxiety issues.

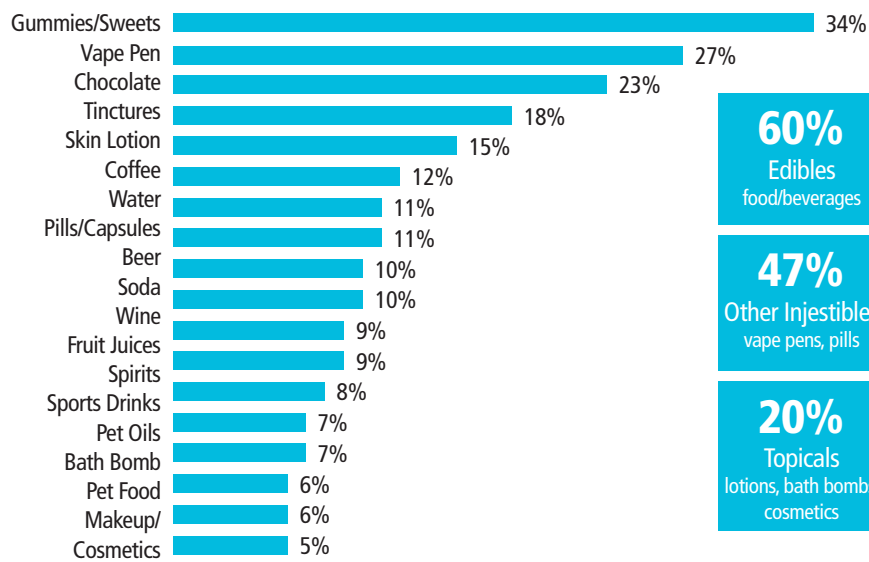
Shannon Hughes, a professor of social work at Colorado State University and at the Colorado School of Public Health, was a co-author of the report. She said the review didn't have the controls and rigor needed in a medical study to weed out the placebo effect and other factors that can affect patient outcomes.

Hughes said positive stories combined with the current marketing around CBD can create a collective placebo effect, making patients feel better not because the CBD is necessarily working, but because they've heard other people say it works.

That effect could be so strong that the psychological effects of CBD could manifest when taking low-quality CBD, or products with barely any CBD at all.

"I think that's part of the problem, that we don't have a system of testing and monitoring at this point," she

**Distribution of CBD products purchased**



Note: Will not sum to 100% as respondents can select more than one  
Source: New Frontier Data 2018 Cannabis Consumer Survey

said. "So unless you have some way to test the CBD quantity of something you're buying, it's sort of a buyer's beware market."

**"If it's a cure-all for everything... then it's not believable"**

Leehey compared CBD's marketing to diet fads like cutting out sugar, cutting out carbohydrates or eating high amounts of protein: the overpromotion could cause a backlash from disappointed consumers.

"If it's a cure-all for everything, then obviously, it's not believable," she said. "...The pendulum will swing to the point where the opposite people

will say, 'I tried it and it didn't work, and it was a big fluke.' So as much as it's loved right now, it'll probably be hated in the future."

Cannabis has the potential to be a painkiller alternative to narcotics, Leehey said, and her own gut feeling is that CBD is helpful for pain. However, her early research showed higher liver activity in patients, something she has to look into as a possible side effect.

It's unclear at this point how the 2018 Farm Bill's legalization of hemp and the FDA approving a CBD drug for epilepsy will affect the regulatory landscape in the future.

Today, it's a wait-and-see game

**Just the facts**

- Among current consumers of high-THC cannabis, women are more likely to purchase CBD-only products than men
- Young people are more likely to try CBD-only products; 37% of cannabis consumers under age 35 had used a CBD-only product in the last 6-months, while 21% of consumers 55 and older reported doing so
- Medical cannabis consumers are twice as likely to incorporate CBD-only products into their lives than are recreational cannabis consumers
- The heaviest spenders and highest frequency users of high-THC cannabis are more likely to integrate CBD-only products into their cannabis consumption habits than are casual or lower-frequency consumers
- Gummies, vape pens, and chocolates are the product types most frequently purchased by CBD purchasing cannabis consumers

Source: 2018 New Frontier Data Cannabis Consumer Report

until the medical community can say with a degree of certainty how CBD plays into the arsenal of drugs doctors use to help patients.

"I counsel people to stick with what we know," she said. "...If you want to get some CBD, I'm not recommending it because we don't know if it's helpful or not, and we don't know about what dangers there might be. We do know that it's going to affect your pocketbook."

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# Cannabis use, businesses continue growth

## Profits remain elusive for some

By Paula Aven Gladych  
news@bizwest.com

When driving through Boulder and Denver, evidence of marijuana legalization is everywhere. Shops selling cannabis and paraphernalia and grow houses have proliferated since retail legalization in January 2014. About two-thirds of communities in the state have resisted the pull of marijuana revenue and don't allow cannabis sales or cultivation. Some, like the city of Loveland, are putting the question before voters this November.

So what has legalized marijuana meant to Colorado? The industry has created hundreds of new jobs and small businesses catering to the cultivation, sales and use of marijuana.

"It has been an evolution," said Shannon Gray, communications specialist for the state Department of Revenue's Marijuana Enforcement Division. There are 41,000 people in Colorado who have applied for occupational licenses to work in Colorado's marijuana industry. That doesn't mean there are that many jobs available, said Gray.

There are slightly fewer than 3,000 business licenses, including grow facilities, stores and centers, transporters and infused product manufacturers, in the state. The industry has pumped \$1 billion in tax revenue into the state economy since legalization in 2014. Colorado charges a 15 percent excise tax and a 15 percent sales tax on cannabis products. Many local governments have also added their own taxes to businesses and sales in their districts.

Of the 64 Colorado counties, one-third allow the sale, cultivation or manufacturing of marijuana, or a combination of those three, according to the Colorado Department of Public Health and Environment. The biggest population centers in the state, including Denver, Boulder and Pueblo, and mountain towns along Interstate 70, seem to be the marijuana hot spots.

Gray said that the Department of Revenue collects \$15 billion in tax revenue from all sources each year and the overall state budget is \$32 billion. Marijuana funds equate to \$266 million of that, "so once you break it down into different funds, it is really just a drop in the bucket overall. There is money going back to the state and it's a good thing, but it is not necessarily a cash cow," Gray said.

Voters thought most of that revenue would go to help fund education in the state, but that is not how it has turned out. The first \$40 million of pot tax revenue each year does get divided among the state's many school districts but the rest gets divided up however each municipality wants to



JOEL BLOCKER / FOR BIZWEST

A close-up of Colorado Cultivars' hemp in a field near Gill, Colorado during the early morning hours of Sept. 25, 2019. A majority of CBD extracted from the hemp is in the bud, with small amounts of CBD coming from the leaves



use the funds.

The business of marijuana

Because marijuana is still illegal nationally, many financial institutions won't allow marijuana businesses to put money in the bank, take out lines of credit or loans or mortgages on their buildings.

Jim Marty, a certified public accountant and CEO and founder of Bridge West LLC, has worked with the cannabis industry for 10 years. He said that many businesses in the state are unbanked, meaning they have to pay all of their bills in cash.

"It is dangerous and inconvenient when the only way to pay is in a face-to-face meeting," he said. He said the IRS continues to prevail in court when it comes to allowing marijuana businesses to take tax deductions. So far, they aren't allowed to because they are considered drug traffickers.

Because of that "it makes it very challenging to attract and raise large capital," Marty said. "It makes it hard to make a profit. It is still possible to

### Marijuana-licensed businesses, 2018

	Medical Licenses issued	Retail Licenses issued
BOULDER	76	144*
LARIMER	35	36
WELD	8	14

\* Boulder has 1 Retail application pending as of June 30, 2018.

Broomfield had no data available.

Source: Colorado Department of Revenue, 2018 Annual Report

make a profit in the marijuana industry but they have to do everything right."

That means leaving a high enough margin on their products that they can still make some money after they pay their taxes and overhead.

"Many of our clients have been in it for four or five years and all they have to show for it is they owe the IRS \$1 million. That can happen very easily," Marty said. Many people open a business because they think they can make a lot of money at it, but they've never grown a plant before, he said.

"It helps to have a scientific plant-based background. It is all about the cultivation. That is the most important thing. If you grow good cannabis, you can definitely sell it, whether or not your business model is set up to

make a profit," he said.

There are five or six financial institutions in Colorado that now allow marijuana businesses to have a checking account. They still can't have lines of credit, bank loans or mortgages, however. Marty said he is hopeful the industry will continue to evolve and that, eventually, cannabis businesses will be treated the same way as other businesses.

"If they could get access to financial services and take all the deductions, we would have a globalized industry. Until then, it is a specialized industry and very difficult to make a profit," he said.

### Lessons learned

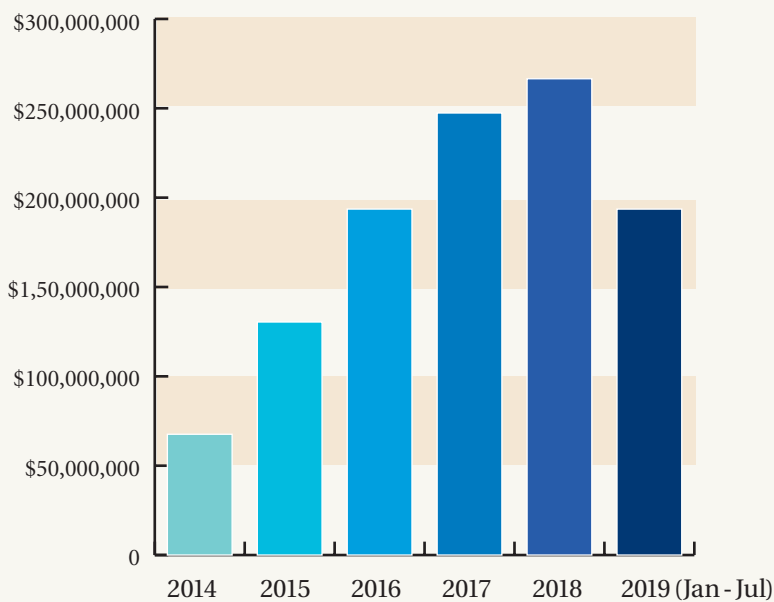
The Marijuana Enforcement Division wants to prevent as many unin-



## Marijuana Taxes, Licenses, and Fee Revenue

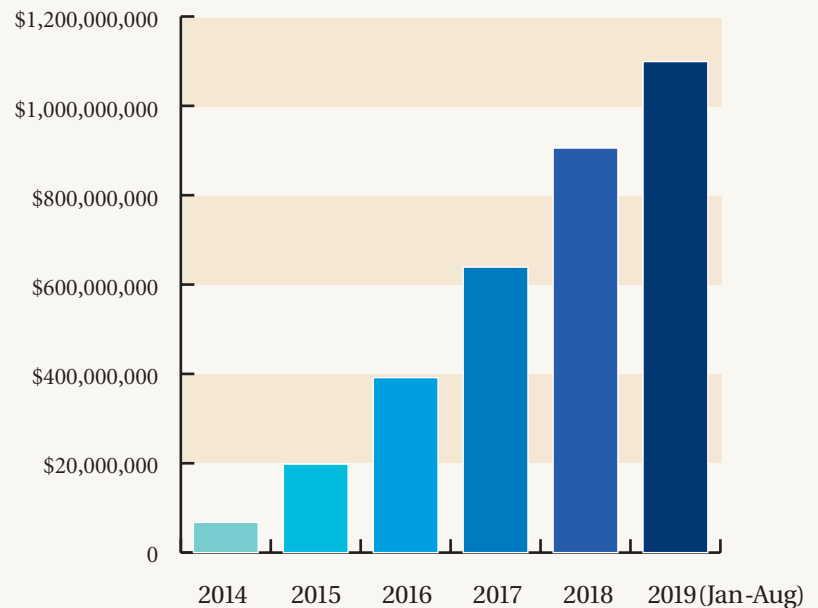
Updated September 2019

### Revenue by calendar year



Source: Colorado Department of Revenue

### Total revenue since February 2014



Source: Colorado Department of Revenue

tended consequences as it can prior to new rules being developed each legislative session. The division has a lot of rule-making authority. It gathers a group of diverse stakeholders at the table, including public health advocates, law enforcement, licensees, the general public and business owners, to talk through any proposals that are out there so “we know what the general consensus is and what the rules will do once adopted,” Gray said.

Two things the division has learned since legalization is that the state’s production management system that prevents marijuana oversupply has been a success, and that not enough thought was given to how edible cannabis products would be regulated.

When marijuana was first legalized, there weren’t any regulations around edibles. “We didn’t have individual serving sizes denoted. You could have accidental ingestion or overconsumption because it wasn’t properly labeled or packaged,” she said.

A recent bill that was signed into law hopes to change that. Beginning Oct. 1, every single serving of edible marijuana — 10 mg of THC — must be individually marked, stamped or imprinted with the new universal symbol. Every container of medical and retail marijuana must be labeled with relevant information for consumers, including a potency statement and a contaminant testing statement.

“With the new universal symbol, people can more easily identify marijuana products, monitor their intake by serving size and avoid eating too much,” said Dr. Larry Wolk, executive director and chief medical officer at the Colorado Department of Public Health and Environment, in a statement. “And by making marijuana labels less appealing to children, we hope to keep them from accidentally eating THC and suffering the consequences.”

The MED’s production management system is a tiered system that keeps tabs on the number of plants each licensee can grow. If people want to increase the number of plants they can grow, they have to get approval through the Department of Revenue. It helps prevent oversupply issues that could lead to the illegal sale of pot out the back door.

“The industry is self-regulating. Overall, our industry folks are very responsible in growing the right amount of marijuana,” Gray said.

The Marijuana Enforcement Division has an inventory tracking system. When a plant reaches 8 inches tall or wide, it has to be tagged with an RFID tag, similar to the barcodes placed on luggage at the airport. It tracks each plant from harvest to sale, whether that be in flower, concentrate or edible form, Gray said. The system must be updated daily by licensees.

“We have access to that system in real time. We have analysts looking to see if there are anomalies,” she said. The division also has the ability to pull up video footage to prove someone destroyed the plants they said they destroyed.

There is still an illicit market in Colorado, she added, but it “primarily sits outside the regulated industry.”

One of the biggest challenges for law enforcement in Colorado is that people are growing plants at their homes — they can legally grow six plants in that space. Many illegal grows are located in rural areas but some involve people who claimed to be growing medical marijuana for themselves and other people.

“There was essentially a gray area in the law and law enforcement asked the legislature to step in,” said Gray. The law now says that there can be no more than 12 plants in a residence. If the homeowner is a caregiver, meaning he or she is growing plants for other people who are using it for medi-

**“Overall, our industry folks are very responsible in growing the right amount of marijuana.”**

Shannon Gray, Colorado Department of Revenue’s Marijuana Enforcement Division

cal purposes, the plants must now be grown in a commercially licensed plant. If law enforcement walks into a home with 500 plants, it is an illegal grow, she said.

Many illegal grows are shipping their products across state lines because they can make more money that way.

### Education and health impacts

The Colorado Department of Public Health and Environment is in charge of educating the public about marijuana use and monitoring the potential health effects, said Jessica Neuwirth, retail marijuana education and youth prevention coordinator for the CDPHE.

In a 2018 report, the department found that marijuana use by Colorado adults 18 years old or older increased from 13.6 percent in 2016 to 15.5 percent in 2017. Both the National Survey on Drug Use and Health, and the Behavioral Risk Factor Surveillance System, which is a telephone survey of adults over the age of 18 that is sponsored by the U.S. Centers for Disease Control and Prevention, found that adult marijuana use in Colorado is significantly higher than the national average.

Nearly 9 percent of adolescents in middle school use marijuana and those numbers increase in high school, she said. Neuwirth’s department targets its social media and

mass marketing campaigns to that age group as a way of preventing use or experimenting before they start.

The department gives youth from middle school to early high school age information on marijuana’s effects and how that is meaningful and relative to them.

“One of the biggest reasons young people choose not to use marijuana is that it can get in the way of what they want for their immediate future,” she said, like getting on the basketball team or maintaining their mom’s trust. They need to know what their goals are in life, outside of marijuana use.

The health department said there is some misinformation out there that it is safe to drive while under the influence of marijuana because it metabolizes differently than alcohol.

“The research shows you are more likely to get into a car accident if you are high than if you are not,” she said. But marijuana can affect people differently. A new user, for instance, may take one hit of marijuana and be driving impaired. A medical marijuana user, who is used to ingesting larger amounts of the substance on a daily basis, may not be impaired because of it.

A couple of new marijuana bills passed in 2019. One determines who can invest in local marijuana businesses, one implements new licensing requirements for the delivery of medical and retail marijuana, and a third gives the people the right to form marijuana hospitality establishments, where patrons can use marijuana, they bring themselves, in a group setting.

One thing Colorado has done well is that it restricts marijuana advertising, said Neuwirth. Yes, people are exposed to marijuana when they walk by retail dispensaries, but the state doesn’t allow those businesses to openly advertise their products.





JOEL BLOCKER / FOR BIZWEST

Damian Farris, agronomist and operations director with Colorado Cultivars, inspects a hemp field near Gill, Colorado during the early morning hours of Sept. 25, 2019. Farris' company presently contracts farmers throughout Colorado to grow hemp, which includes 42 fields that encompasses 3,000 acres.

# Hemp acreages explode with Farm Bill passage

By Doug Storum  
news@bizwest.com

In the past year, nearly 2,000 people have registered nearly 86,000 acres of land in Colorado on which to grow industrial hemp.

Of those acres, farmers have planted approximately 45,000 acres, hoping to cash in on a crop that can be used in what seems to be an endless list of products — from health products to concrete-like material used in construction.

There are also 13.8 million square feet of indoor space in the state registered to grow industrial hemp, which is grown from a variety of strains of the cannabis plant that has less than 0.3 percent of THC, the psychoactive ingredient that is found in marijuana.

Jessica Quinn, the registration and compliance coordinator for the Colorado Department of Agriculture's Industrial Hemp Program, said, "We are showing about 45,000 planted acres, but that number is not solid. We will not have that nor will we have harvested acres for another month or so as we are still getting 60 to 80 reports in daily, right now." Quinn said the state currently does not break down

statistics by county.

By comparison, in 2017 there were 386 licensed growers, about 12,000 outdoor acres and 2.35 million square feet of space registered to grow hemp in Colorado.

Since the passage of the 2018 Farm Bill, hemp cultivation in the United States, according to a report by Vote Hemp, a national hemp advocacy group, the number of acres of hemp licensed across 34 states totaled 511,442 in 2019 — more than quadruple the number of acres licensed from the previous year. State licenses to cultivate hemp were issued to 16,877 farmers and researchers, a 476 percent increase over 2018.

Eric Steenstra, president of Vote Hemp, said in a statement that licensing of fields is a good indicator to show intent ... "but we know from previous years that significantly less hemp is planted than what is licensed due to a variety of factors including access to seed and/or clones, a lack of financing as well as inexperience. This will be the case again for 2019."

Steenstra estimates that 230,000 acres of hemp will actually be planted and 50 percent to 60 percent of that will be harvested due to crop failure

**"The few policies being offered for crop insurance are very pricey. And right now, they are not USDA-backed."**

Damian Farris, co-owner of Colorado Cultivars USA LLC

and other factors resulting in 115,000 to 138,000 acres of harvested hemp.

(The complete 2019 U.S. Hemp License Report is available online at <https://www.votehemp.com/u-s-hemp-crop-report/>.)

Colorado was a pioneer in the hemp industry, legalizing hemp production in 2014. But Colorado farmers were facing challenges regarding the infrastructure needed to process, transport and market hemp, as well as bank and finance operations. But since the passing of the Farm Bill, lifting federal prohibition on hemp farming, there is a federal process evolving that will strengthen to hemp industry.

The Colorado Department of Agriculture is partnering with state, local and tribal agencies, as well as industry experts in cultivation, testing, research, processing, finance and economics to establish a statewide initiative known as the Colorado Hemp Advancement and Management Plan, or CHAMP. This yearlong effort is expected to yield a plan by early 2020.

Steenstra said in a prepared statement that several key states including Colorado do not license processors so processing capacity is actually significantly higher. The growth in processors is largely for extraction and positions the hemp industry well to meet market demand for extracts but more investment is needed for fiber and grain processing.

Small operators in Colorado have been processing hemp for a variety of uses but have been unable to keep up with a burgeoning demand. Seeing the demand is not being met, Paragon Processing LLC in August opened a 250,000-square-foot hemp processing plant in Colorado City, purported to be the largest such plant in the country.

The 2018 Farm Bill, signed into law by President Trump on Dec. 20, 2018, includes a section that removes hemp



from the Controlled Substances Act, places full federal regulatory authority of hemp with United States Department of Agriculture and allows state departments of agriculture to submit hemp program plans for approval and regulate hemp cultivation per their state specific programs.

Local growers are waiting for the USDA to release new federal regulations for hemp cultivation this fall, and states with approved plans can begin regulating hemp cultivation under the new Farm Bill provisions starting in 2020. As of Sept. 19, the USDA's draft hemp rules were awaiting White House approval.

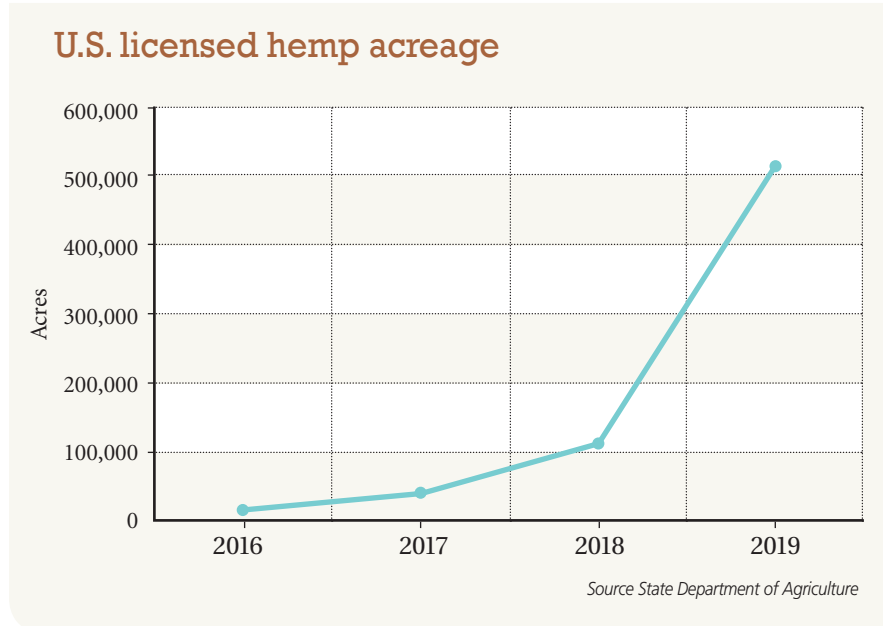
The 2018 Farm Bill asserts a 'whole plant' definition of hemp, including plant extracts; and removes roadblocks by authorizing and encouraging access to federal research funding for hemp, and removing restrictions on banking, water rights and other regulatory roadblocks the hemp industry currently faces. The bill also authorizes crop insurance for hemp.

#### Loans and Crop Insurance

While the Farm Bill encourages access to bank loans and crop insurance for hemp farmers, the reality has been slow to catch on.

Damian Farris, co-owner of Colorado Cultivars USA LLC, based in Eaton, said loans are hard to find and insurance that hemp farmers can afford is scarce.

"Loans are still far out there," he said, adding that underwriters are



waiting for the USDA to write the rules.

Farris said "the few policies being offered for crop insurance are very pricey. And right now, they are not USDA-backed."

Colorado hemp farmers will be eligible for federal crop insurance in 2020, if they were part of the state's 2014 pilot program.

USDA's Risk Management Agency in August said the coverage for hemp grown for fiber, flower or seeds will be available to producers who are in areas covered by USDA-approved hemp plans or who are part of approved state or university research pilot programs. "Numerous producers are anxious for

a way to protect their hemp crops from natural disasters," said RMA administrator Martin Barbre. "The Whole-Farm Revenue Protection policy will provide a safety net for them. We expect to be able to offer additional hemp coverage options as the USDA continues implementing the 2018 Farm Bill." WFRP allows coverage of all revenue for commodities produced on a farm up to total insured revenue of \$8.5 million. A hemp producer must comply with applicable state, tribal or federal regulations for hemp production and have a contract for the purchase of the insured industrial hemp. Plants that contain more than 0.3 percent of THC will not be insurable.

#### Products

Examples of products that are made from hemp fibers or infused with hemp CBD extracts include shoes, socks, pants, shirts, hoodies and hats, shopping bags and rucksacks, rope, yarn, wash cloths and towels, paper products, twine, nets, tarps, pet bedding and mulch.

Hemp fiber can be used to create environmentally friendly packaging materials and hard bio-plastics that can be used in everything from airplanes to car parts. Hemp houses are also on the rise, as hempcrete, which is energy-efficient, nontoxic, and resistant to mold, insects and fire, has many advantages to synthetic building materials, lumber and concrete. It is a mixture of water, lime and the woody portion of the hemp stalk broken into small pieces.

Hemp bast fiber, the fiber that grows on the outside of the plant's stalk giving it strength, has shown promising potential to replace graphene in supercapacitor batteries, which could then be used to power electric cars and handheld electric devices and tools.

Biofuels can be made from hemp. The biodiesel product it produces is called hempoline.

Wellness products include pain-relief creams, anti-blemish creams, skin lotions, topical salves, dietary supplements, therapeutic soaps and CBD gummies. There also are treats for dogs and cats to ease the pain of arthritis and anxiety.

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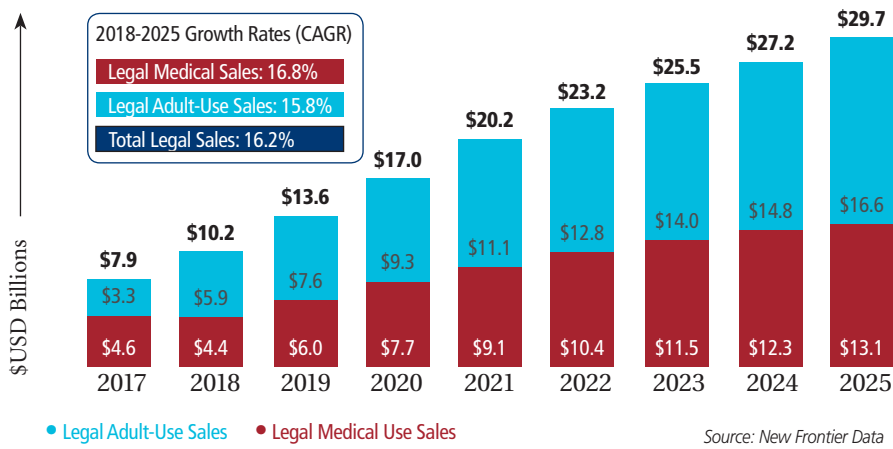


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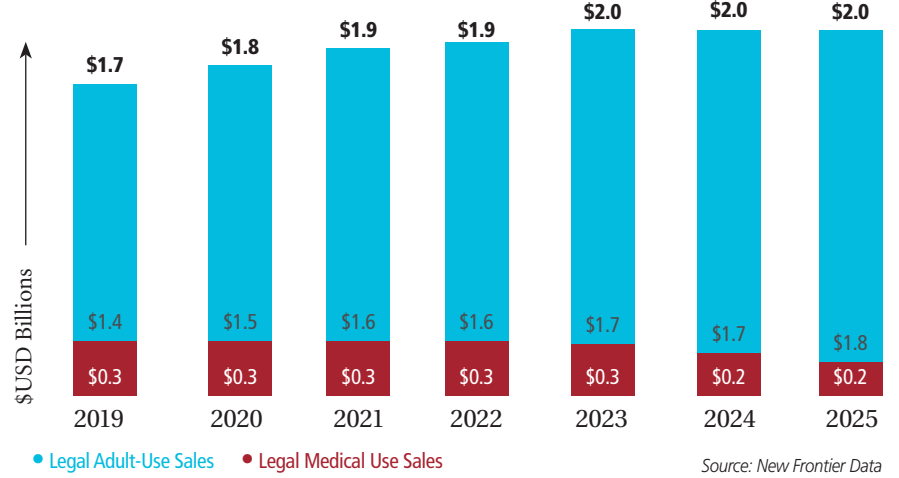




### Growth of the U.S. legal cannabis industry 2017-2025



### Colorado legal cannabis sales projections 2019-2025



Note: Market size projections are based solely on the state markets that have passed medical and adult-use legalization initiatives as of July 2019 (and do not include assumptions for any additional states that may pass legalization measures before 2025)

# Cannabis industry projected to grow long into future

By Ken Amundson  
kamundson@bizwest.com

The legal, regulated U.S. cannabis market sold \$10 billion of products in 2018, will end 2019 at about \$13.6 billion in sales and expects to grow at a 14 percent annually compounded rate for the next six years.

And those estimates don't take into account the addition of other states (18 are currently debating it) to the legal cannabis marketplace, nor does

it account for potential changes in federal regulation that could happen after the 2020 national elections.

Estimates of industry growth have been compiled in a massive research study completed by New Frontier Data, an independent, technology-driven analytics firm with offices in Washington, D.C., Denver and London. Its report is called "U.S. Cannabis Report 2019 Industry Outlook."

Without question, the report concludes, cannabis sales and usage is

rapidly changing and growing, and it's not just happening in Colorado or the United States. Fifty countries worldwide have legalized marijuana usage in some form—for recreational use, medical use or some variation—and six countries including Canada in North America have legalized pot in all forms.

Growth is driven, the report said, by increased acceptance of marijuana use as well as legalization. Also, a greater diversification in product lines

using concentrates and edibles has increased interest and acceptance.

As legal usage rises, illegal usage declines, although it's not one to one. In 2018, U.S. illegal pot sales totaled about \$64 billion. Declining usage of illegal marijuana gives investors in the new legal cannabis industry an anticipated significant upside as users convert to legal sources, the report said.

Colorado, the first among the states to legalize recreational marijuana use in 2016, has 1.2 million

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Jessica Erickson, President/CEO  
Longmont Economic Development Partnership  
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cannabis consumers this year and expected sales by year end of \$1.7 billion. The report suggested that the sales number will rise to \$2 billion by 2025. That will place Colorado third among the states with legal marijuana sales, behind California with \$3.2 billion in projected sales and Washington state with \$2.6 billion in sales.

Most of Colorado's pot users consume recreational products. The state legalized medical marijuana in 2000. It took only two years from the 2014 legalization of recreational weed for recreational users to eclipse medical users, the report said.

"Customers are getting more sophisticated," said Jim Marty, a CPA and founder of Bridge West CPAs LLC, a Longmont public accounting firm that works exclusively with the cannabis industry. Marty said customers increasingly are willing to pay for specific, high-quality strains of marijuana.

Marijuana flower is still the dominant form of the drug consumed, although there's a rapidly growing shift to non-combustible alternatives such as concentrates and edibles. Gummy bears are the most popular form of edibles.

For businesses involved in the production and sale of pot products, movement to value-added products such as edibles helps support premium pricing, the report said, because competition has begun to draw down the retail price of more-traditional variations such as flower.

### Colorado by the numbers

<p>2019 Population</p> <p><b>5,784,894</b></p> <p>Total number of cannabis consumers <i>per year users, 2019</i></p> <p><b>1.2 million</b></p>	<p>Year Medical Use Legalized</p> <p><b>2000</b></p> <p>Past year usage rate</p> <p><b>27%</b></p>	<p>Year Adult-Use Legalized</p> <p><b>2012</b></p> <p>Past month usage rate</p> <p><b>20%</b></p>
<p>Registered Medical Patients <i>as of July 2019</i></p> <p><b>83,106</b></p>	<p>Patient saturation rate <i>as of July 2019</i></p> <p><b>1.4%</b></p>	<p>Legal market growth forecast <i>CAGR 2018-2025</i></p> <p><b>3.7%</b></p>

Source: New Frontier Data

Investments in the cannabis industry are exploding, despite the federal prohibition on use of the drug. Two factors are driving the investments. First, companies outside the industry are seeing opportunity, or looking to shore up their historical sources of income that are threatened by the growing use of recreational pot. Beer maker Anheuser-Busch InBev SA/NV, for example, entered a joint venture with Canadian cannabis company Tilray Inc. (TLRY.O), to explore creating beverages with cannabis ingredients in the Canadian market. The deal also may be as much about acquiring expertise as it is about a new product

line, the report said. Others such as The Scotts Miracle-Gro Co. see opportunity among growers.

Second, the legalization of marijuana nationwide in Canada has opened doors to capital markets in that country that don't exist in the United States, which has resulted in Colorado and U.S. companies launching publicly traded Canadian operations.

And in some cases, publicly traded companies are investing in Colorado startups as permitted under House Bill 1090, which was signed into law in May of this year to permit ownership by and licensing of publicly traded companies. Bridge West's Marty said

his firm has received inquiries as a result of that law.

"They're [buyers of companies] are looking for companies with good, clean books and records, and they're looking for profitability after taxes," he said. Profit after taxes is important because of how the Internal Revenue Service treats cannabis companies.

New Frontier Data reported that in the first eight months of 2019, there were 400 capital raises totalling \$10 billion and 243 mergers and acquisitions in the cannabis sector.

The M&A activity so far this year compares with 244 in all of 2018 and 116 in 2017.

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# BW ThoughtLeaders

## BUSINESS ANSWERS FROM THE EXPERTS

### HEALTH CARE

#### Threading the Needle: Hospice and Medical Aid in Dying

I have thought about writing this column for several months, and up to now I have chosen to write about topics that were not necessarily "easier" but clearer and less controversial. Ultimately, however, as the President of the oldest community-based nonprofit hospice Northern Colorado I feel it is important to clarify our position on medical aid in dying (MAID).



Nate Lamkin  
Pathways

The Colorado End of Life Options Act, which became law on December 16, 2016, established a legal process through which terminally ill adults can end their lives if they meet the following criteria:

- A prognosis of six months or less;
- Mental capacity to make an informed decision;
- Residency in Colorado; and
- Has requested and obtained a prescription for medical aid-in-dying medication.

Two physicians must certify that the patient has a terminal prognosis of six months or less, and that the individual is mentally capable and making an informed decision. Colorado residency must also be established, along with a number of other steps that ultimately lead to the patient obtaining a prescription for a lethal dose of pills that are crushed in water and the patient must self-administer. For more detailed information visit: <https://www.colorado.gov/pacific/cdphe/medical-aid-dying>.

The challenge for hospice organizations stems from conflicting guiding principles. One states that hospice neither hastens nor postpones death, and clearly MAID hastens death. That said, it is also a prime directive that hospice honors and helps every patient achieve their vision of "a good death" – and MAID is legal in Colorado. Pathways and other hospices throughout the state balance these competing interests by adopting a position of neutrality.

Patients who avail themselves of the MAID option are not denied access to or discharged from our care, but hospice physicians will not sign the MAID certifications nor will they prescribe the required medications; patients need to work with their attending or another physician for these steps. We always offer to have one of our nurses attend the death in case the patient experiences any distress, and the family is offered grief support just as we do after any death.

It is also important for us to provide support to our clinical staff who are working with a patient who makes this choice. MAID is not a "typical" hospice death, and some of our staff carry a certain degree of moral distress when working with someone who chooses to end their own life. Our internal policy allows any clinician to be reassigned if they are working with a patient who elects MAID and they have a strong moral or religious objection. To date, however, none of our staff have opted out.

MAID is both a choice and a challenge for Coloradoans and the hospices who care for them. Pathways and other hospices' position of neutrality is how we thread the needle and continue to honor the choices of all our patients.

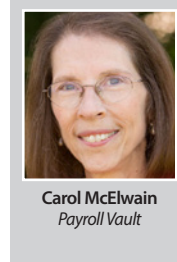


Nate Lamkin, President  
Pathways  
305 Carpenter Road  
Fort Collins, CO 80525  
[www.pathways-care.org](http://www.pathways-care.org)

### PAYROLL & WORKFORCE SERVICES

#### Persons with Criminal History Have Right to Rejoin the Workforce

From the moment an employer decides to hire their first employee, labor laws and regulations kick in. Were you aware that Governor Polis recently signed new Colorado legislation giving those with criminal backgrounds a better chance to compete for a job in the workforce? By connecting with Payroll Vault's HR support team, you will be advised when new laws and regulations are passed that affect your workforce and your operations.



Carol McElwain  
Payroll Vault

This law (HB 19-1025) took effect September 1, 2019 and affects all employers with at least 11 employees. (Those with fewer than 11 employees will have until September 2021 to comply.) Colorado is the 13th state to prohibit employers from asking about criminal history on initial job applications. This new law, known as "ban the box" legislation, prohibits employers from:

- Advertising that a person with a criminal history may not apply for a position
- Placing a statement in an employment application that a person with a criminal history may not apply for a position
- Inquiring about an applicant's criminal history on an initial application

Employers can, however, obtain a job applicant's publicly available criminal background report at any time and it does not prohibit employers from conducting background checks post-employment offer. An employer is exempt from the restrictions on advertising and initial employment applications when the law prohibits a person who has a particular criminal history from being employed in a particular job, (i.e. banks couldn't hire someone convicted of embezzlement).

Colorado employers should review their employment applications and hiring processes to ensure they fit within the scope of the new law. Contact Payroll Vault-Fort Collins to learn more about our HR services and how they can help you stay in compliance.



Carol McElwain  
Payroll Vault-Fort Collins/Loveland  
375 E Horsetooth Rd #2-101  
Fort Collins, CO 80525  
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### HEALTH CARE

#### Columbine Health Systems Partners with Strategic Health Programs

Columbine Health Systems (Columbine) has partnered with Strategic Healthcare Programs (SHP), a leading provider of post-acute data and analytics. SHP has been serving the home health and hospice markets and has expanded its portfolio of products by introducing the SHP for Skilled Nursing™ software solution. SHP has applied its 20 years of experience in delivering easy-to-use reports that help home health, hospice, and home infusion providers improve quality and patient satisfaction to now support skilled nursing facilities (SNFs). Columbine Poudre Home Care has been a partner with SHP for many years.



Yvonne Myers  
Health Systems Director

*Columbine Partnered with SHP to enable our skilled nursing facility staff to better manage and improve readmissions, referrals, and outcomes.*

Patient-Driven Payment Model (PDPM), the first major change to how skilled nursing care facilities will be reimbursed in the last 20 years, and a continued focus on cost and quality has enhanced the need for real-time data in the SNF setting. By partnering with SHP, we can address this need by automating the seamless transfer of this unique data from our Electronic Health Records (EHR) systems. The unique combination of real-time data with SHP's post-acute care knowledge and analytics engine will help Columbine to quickly answer some core operational questions such as:

- How do we ensure we maintain our quality scores?
- How do we best manage residents at risk for readmission?
- How can we best demonstrate to our referral sources their high acuity patients are being managed appropriately?
- How do we show with data our therapy program outcomes are achieving maximum functional improvement for a specific group of residents?

While Columbine Health Systems has access to information in our Electronic Health Record, SHP reports bring the ability to segment data across many different metrics such as; referral source, diagnosis, PDPM clinical category, and readmission risk, to name a few. This suite of reports will incorporate SHP's proprietary risk for readmission, overall quality, and functional scores.

Columbine Health Systems strives to ensure continuous quality improvement for our residents in a patient-centered care model. We support our staff and their goals for providing quality patient care.



Yvonne Myers  
Health Systems Director  
Columbine Health Systems  
802 W. Drake Road, Suite 101  
970-482-0198



# Marijuana banking ban puts real estate out of reach

By Dan Mika  
dmika@bizwest.com

Want to start a dispensary? Unless you have the cash to buy a building, good luck.

Five years after Colorado became the first state to legalize all forms of cannabis, there are now 1,029 medical and recreational dispensaries registered across the state. But because marijuana is still a Schedule I substance at the federal level, banks and credit unions are for the most part hesitant to operate accounts for cannabis companies or give them startup loans.

But for real estate, arguably the most expensive part of starting a small business, the lack of financing sets the bar unattainably high for aspiring entrepreneurs who don't have tens or hundreds of thousands of dollars of cash on hand to cover startup costs themselves.

Don Childears, president and CEO of the Colorado Banker's Association, said there are about 20 banks in his trade group that service marijuana businesses, while the rest aren't willing to take on the herculean task of monitoring those funds for any hint of illegal activity.

However, he thinks cannabis banking could be a niche that local banks and credit unions could occupy if those restrictions were lifted.

"This is pure guesswork, but 40 percent to 50 percent of community banks might be interested in serving this business if the regulatory risks were eliminated," he said.

That hesitance extends to dealing with companies that provide services to cannabis companies and get paid with money traded for the federally controlled substance, ranging from electrical services to printing merchandise. In particular, that includes real estate.

Rob Mann, a cannabis-focused Realtor with Boundary Realty LLC in Denver, said cannabis' restrictions from the larger financial system means it's near-unheard of for a landlord to rent a property for use in the marijuana industry, especially if that property has a loan on it. Leases often carry forward the restrictions of lenders, namely that properties will not be used for illegal purposes.

"You won't see too many people willing to stick their neck in the noose," he said. "...A lot of people want to be a part of it, but when it comes down to it, the reality is they don't want to be associated with it, because it's a violation of federal law."

While there is some funding available for hemp businesses, he said, the majority of cannabis-related real estate deals are all-cash. The capital that is available for financing usually

requires a business owner to pay higher interest rates and put up exorbitant security against the loan, as it's likely the loan-to-value ratio is high and a riskier bet for a financier.

There is momentum in Congress to allow marijuana dollars into the financial system. The SAFE Banking Act, sponsored by Colorado Rep. Ed Perlmutter (D-Arizona), cleared the House in late September with a three-fourths majority. The bill would permit marijuana and hemp businesses to set up accounts with banks, credit unions and credit card companies and create a safe harbor for vendors that service marijuana businesses.

As of press date, the bill is in the Senate, where it may face greater resistance in the Republican-controlled chamber. A majority — 53 percent — of House Republicans voted against the bill on the floor when it went to a vote in late September, but that does show the SAFE Banking Act has a fair amount of bipartisan support.

Speaking to BizWest, Perlmutter said the support of nearly half of House Republicans and all but one Democrat, along with the support of multiple industry groups, gives the bill a strong

starting position in the Senate.

He believes the bill would quickly open up the real estate market for cannabis companies upon passage based on the positive feedback it received from real estate, banking and title insurance trade groups.

"A number of banks have had real reluctance in providing banking services or mortgage services to the owners of the shop-at, because the owner of the shop is receiving proceeds from a cannabis business and using those proceeds to pay part of his mortgage," he said. "This addresses a lot of that."

But at this point, it's unclear how quickly the bill could make it through the Republican-controlled Senate, particularly as the chamber looks at other issues like trade, stopgap measures to keep the government open and the possibility of the House voting to impeach President Donald Trump.

Perlmutter deferred questions on how quickly the bill could move in the Senate to Jeff Merkley (D-Oregon) and Cory Gardner (R-Colorado), the bill's handlers in the Senate. However, he said it took six years and plenty of heavy lifting to get the bill out of the House.

Mann said the industry is prime to expand rapidly if the SAFE Banking Act or some other federal legislation opens the financial system to cannabis. But until then, he is seeing some financial institutions start to change their tune.



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COURTESY AJOYA

GreenScreen specializes in digital advertising platforms for cannabis dispensaries such as Ajoya in Louisville.

# Ancillary firms benefit from hemp

By Lucas High  
lhigh@bizwest.com

Local companies are proving that you don't have to ever plant a seed or sell a joint to play a critical role in the emerging hemp and cannabis industries.

Colorado has long been on the cutting edge of the hemp and cannabis industry, having been the first state to legalize recreational marijuana sales in 2014. Not only has the state emerged as a hotbed for marijuana and CBD producers, Colorado firms are leaders in providing products and services that support the industry without having any contact with the plant.

As the industry matures and evolves, these ancillary companies in Northern Colorado and the Boulder Valley — from digital advertising platforms to data analytics firms to apparel manufacturers — are poised to become increasingly attractive to entrepreneurs and investors.

Ancillary businesses are often viewed as much less risky than their counterparts that actually touch hemp and cannabis plants, where barriers to entry come in the form of startup costs and local regulations.

"Frankly, cultivation and retail are typically very tough businesses," CanopyBoulder CEO Patrick Rea said. "...A lot of these businesses in the ancillary space are much less capital intensive than cultivation or extraction, which require significant investments in equipment."

Canopy operates a venture capital fund and a mentorship-based accelerator program for companies in the

ancillary cannabis and hemp space.

While strict regulations are often seen as an impediment to businesses, they can provide certain unique opportunities for companies.

For example, cannabis in Colorado must be tracked from seed-to-sale. And while monitoring the product so closely is expensive, "it generates a lot of data points from every step of the process," Rea said. "Unlocking insights from that data is going to be an area of heavy investment."

One such target of investment is Boulder-based BDS Analytics, a CanopyBoulder graduate that compiles and analyzes cannabis and hemp sales and market data.

"We provide [dispensaries] a service that compares their sales by brand, item or category to the average in their state so they can figure out how to be the best performer: which products to feature more prominently, which are the hot new items that consumers are looking for, what the price points should be," BDS Analytics CEO Roy Bingham said.

This sales data is then shared back with cannabis product manufacturers "who all want to understand the product trends in the industry and who the major players are," he said.

BDS Analytics also develops market projection forecasts and tracks consumer trends through surveys and interviews with cannabis and hemp product end users.

"We're able to understand not only the demographics of consumers, but also who is consuming which types of products, when they're consuming, how they're consuming, why they

**"You have to have dynamic solutions that can be adjusted to the needs of dispensaries."**

Martin DeFrance, co-founder,  
GreenScreens Inc.

consume," Bingham said. "This kind of data is critical for our clients to learn how to market to their customers."

While this sort of data crunching is "all pretty standard stuff in all consumer product industries," Bingham said, it's a novel concept in the cannabis field.

Not all ancillary cannabis products and services are high-tech. These companies offer solutions to issues as fundamental as discreetly and safely storing cannabis at home.

"Having young kids in my house myself, I saw a market opportunity and decided to go for it," said Skip Stone, CEO of lockable cannabis container manufacturer Stashlogix.

StashLogix is an example of a marijuana-adjacent firm that has run into regulatory issues generally reserved for growers or retailers.

Federal customs authorities seized 1,000 Stashlogix bags in 2017, calling the products drug paraphernalia.

"We did appeal and win, but that was a pretty challenging time," Stone said. "The industry is still in its infancy and there are a lot of structures that aren't quite established yet."

A number of factors — including the speed at which new products are

introduced and the fact that those products are often perishable — combine to create a cannabis retail market that's unique in certain ways that are independent of the product's regulatory status. This offers opportunities for ancillary companies that are sensitive to the industry's specialized needs.

"If you're a dispensary, you could have five strains of flower for sale one day and then 20 completely different strains for sale the next day," said Martin DeFrance, co-founder of cannabis-specific digital signage and advertising firm GreenScreens Inc. "You have to have dynamic solutions that can be adjusted to the needs of dispensaries."

A company that provides analytics or human resource management software for dispensaries — unlike the dispensaries themselves — are not necessarily limited to operating in states where cannabis is legal.

"In the ancillary space, you can launch your business from anywhere," Rea said. "You could be operating in Austin, Texas, and selling to a client in Spain. That flexibility can be an advantage."

Still, cannabis-adjacent companies find benefits in being headquartered in pot-friendly and startup-friendly locations such as Northern Colorado and the Boulder Valley.

"I have over 35 years of business experience and I've never seen an industry that's expanded so rapidly and so suddenly became mainstream," BDS Analytics' Bingham said. "Colorado is the epicenter and we wouldn't want to be anywhere else."



# Documentarian sets sights on state's hemp industry

By Lucas High  
lhigh@bizwest.com

As Colorado's hemp and CBD industry has exploded in recent years, Josh Hyde has been there every step of the way with his camera trained on the action.

The Lafayette-based filmmaker recently released "American Hemp," a documentary that tracks the growth and evolution of the industry by following local hemp entrepreneurs, activists and regulators.

"I was interested in hemp because it is one of the newest industries in the United States," said Hyde, who was mentored by the acclaimed documentary filmmakers behind the Academy Award-winning "Hoop Dreams" and "MindingTheGap." "You don't always get to witness the emergence of new industries firsthand — and if you do witness it, how do you film it?"

"Take the computer industry in the 1980s for example," he said. "It's super interesting, but do you want to watch Steve Jobs sit at a computer and type for two hours?"

The hemp industry, with its rolling green fields, giant CBD processing equipment and quirky characters, is more visually dynamic.

And while the hemp industry is still in its infancy, Hyde expects it to have staying power and allow the film to maintain its relevance.

"Hemp is going to be in the news cycle for five, 10, 15 years. And it's going to impact so many other industries: bioplastics, food, wellness," he said. "I wanted to find a film that I

could shoot over an extended period of time."

His home in the heart of Colorado's Front Range, a hemp and CBD mecca, played a role in the decision to focus "American Hemp" on the industry.

"I was looking for a topic where I could find subjects who live within five or 10 minutes of me," Hyde said. "I wanted to be able to regularly check in with them."

Hyde, who has lived and worked in New York and Los Angeles, said, "At a certain point, you realize that stories happen all over the world. I'm not a New York or L.A. person — I'm a story person and [Colorado] is where this particular [hemp] story is happening."

Hyde credits Colorado's early adoption of legalized medical and recreational cannabis as a driving force behind the state's emergence as a hemp hotbed.

"All of the research being done here on marijuana opened the door for research on hemp, which was being done in a similar ways," he said. "The states that prohibit marijuana are way behind on research." Different state-by-state regulatory environments have created a country "where people are living in two different realities," Hyde said. "People who are living in cannabis-friendly states that also support hemp are living in a futuristic economy where people who don't even consume these products benefit from the tax infrastructure. States that are still in a prohibition mindset are in the past."

Hyde spent the better part of two years tracking the industry and gath-



COURTESY JOSH HYDE, AMERICAN HEMP DIRECTOR

Hemp plants are harvested in a scene from Josh Hyde's American Hemp documentary.

ering footage for his film.

"American Hemp," which is available to watch on Amazon Prime Video, features local hemp and CBD brands including Evo Hemp LLC, Colorado Cultivars USA LLC and Remedi Hemp LLC.

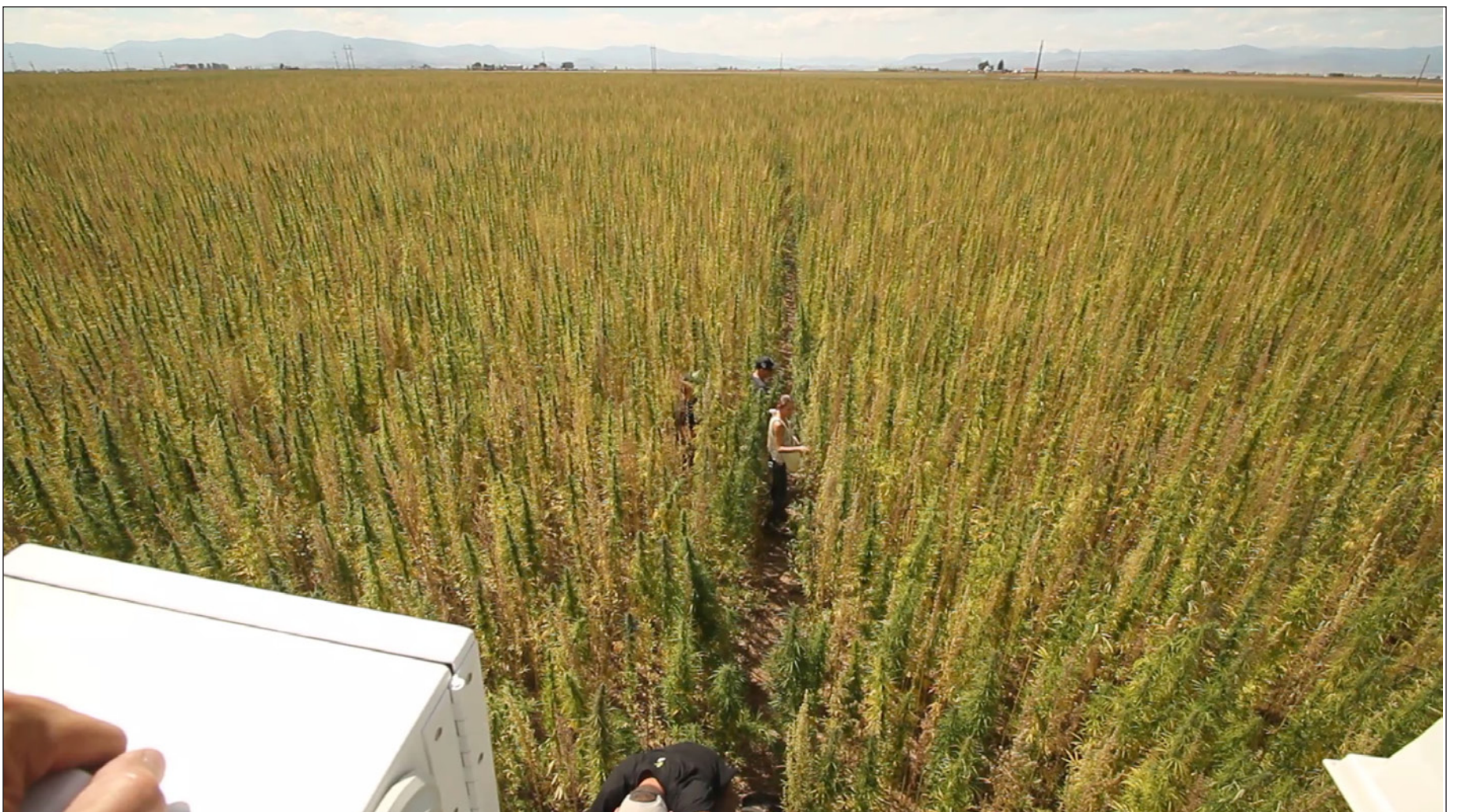
If all goes according to plan, he will likely devote at least another couple of years to hemp.

"I think the 'American Hemp' documentary is going to spawn an entire [streaming television series] about hemp," Hyde said. "I want people to be able to stay with me on the front-lines of what's going on with hemp in America."



COURTESY JOSH HYDE, AMERICAN HEMP DIRECTOR

Alex White Plume, a hemp grower and activist on the Pine Ridge Reservation in South Dakota, is featured in Josh Hyde's documentary American Hemp.



Large Colorado hemp farming operations are featured in Josh Hyde's American Hemp documentary.

COURTESY JOSH HYDE, AMERICAN HEMP DIRECTOR



# Boulder, big and small

## Growing high-tech giants create chances, challenges for startups

By Dallas Heltzell  
news@bizwest.com

BOULDER — They all want to be here. But how can they all fit in?

Boulder draws some of the nation's most dynamic and successful companies, thanks to its quality of life and its concentration of capital — both human and monetary. While technology giants such as Google, Amazon and Twitter continue to expand, the lure of daring venture capitalists and a wealth of resources draws budding entrepreneurs hoping to change their part of the world.

But how well can the big players and the new kids on the block coexist? With commercial space finite, affordable housing scarce and the ability to offer competitive benefits limited at least at first, startups in the shadow of the giants sometimes find it challenging to secure a place in the sun.

But they also find that Boulder's tide of synergy tends to lift big and small boats alike. The result is that the quirky city at the base of the Flatirons boasts the nation's most highly educated workforce and its most robust concentration of employment and employees within manufacturing- and STEM-related jobs.

Statistics for the second quarter of 2019 showed that Boulder-based startups raised \$215 million in venture capital, more than half of the entire state of Colorado's total of \$400 million.

Making that synergy work didn't just happen, though.

"For so long," recalled Boulder Chamber president John Tayer, "we were a community that had only a few pillar primary businesses in our town — IBM, Corden Pharma, maybe Ball. What we were seeing is entrepreneurship and innovation, and that resulted in us being designated the startup capital of the nation. It was a tribute to risk taking and entrepreneurial spirit.

"What we often found challenging as these startups grew and started to need support, though, is that they ended up not being able to find the resources they needed in Boulder and ended up gravitating to the coasts. The tradeoff for moving their operations out of our community was that we were often able to fill the empty void with initial startup activity.

"That's not healthy. You need a

### 2017 Bloomberg Brain Concentration Index: Top 10

Metro areas with at least 100,000 population were assessed on their concentration of full-time STEM workforce, advanced degree or science & engineering undergraduate degree holders and net business formation.

Metro Area	Score	STEM	Sci & Eng. Degrees	Advanced Degrees	Net Biz Formation
Boulder, CO	99.15	8.5	19.3	18.5	56.3
San Francisco, CA	97.33	5.9	16.1	14.2	49.0
San Jose, CA	96.94	5.9	16.1	14.2	49.0
Washington, DC	95.66	6.1	15.1	17.0	34.9
Raleigh, NC	95.00	5.5	13.0	11.2	53.1
Seattle WA	93.27	5.6	12.9	11.1	41.3
Denver, CO	93.23	4.6	11.1	10.7	67.5

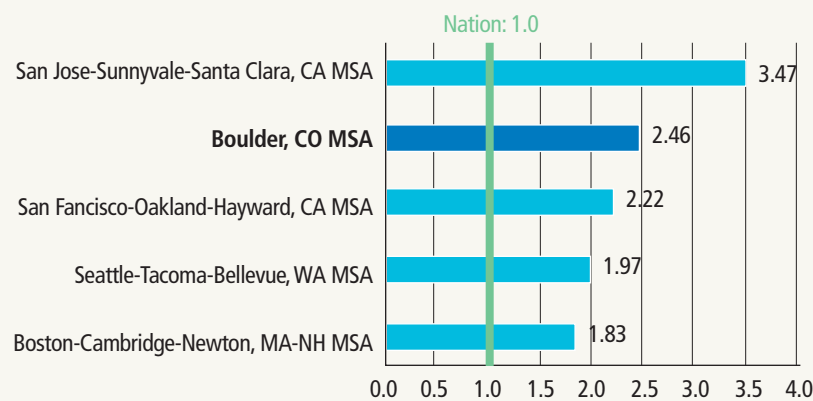
Source: Bloomberg, 2017



**"For so long, we were a community that had only a few pillar primary businesses in our town — IBM, Corden Pharma, maybe Ball. What we were seeing is entrepreneurship and innovation, and that resulted in us being designated the startup capital of the nation."**

John Tayer, president, Boulder Chamber

### Concentration of STEM Occupations (MSA)



Source: Colorado Department of Revenue

diversity of businesses through their growth cycles to make sure the economy is well balanced."

Starting about 15 years ago, however, "startups started getting purchased by larger companies," Tayer said. "Rather than locating, they said,

"We see a lot of dynamism in this ecosystem and want to be a part of it.' They started taking root here. They said, 'We're gonna plant here and start to connect with the entrepreneurial environment.' They wanted to partner with other companies that they could

absorb, but also the overall environment or creativity and risk taking they know is vital to their own success.

"The benefit is that we have a broader diversity of businesses in their development cycle," he said. "So as the economy shifts and there's not a lot of venture capital, we'll be thankful we have the more stable companies like Google and IBM. We're looking to always balance and stabilize our economy. It benefits the Boulder workforce, its residents, makes our community stable and maintains our high quality of life. We see this evolution of the economy as a positive for our community and something we should be celebrating."

The startup-friendly climate led to the founding of seed accelerator Techstars in 2006. Natty Zola, managing director for the Techstars programs in Boulder, has managed its last five cohorts and cited some other advantages to Boulder as well.

"If you leave a big company here and start a startup, there are more potential acquirers here," he said, "and if you start a startup that doesn't work, it's a place where you can have a soft landing between startups. You don't have to move out of the area and do good work before you start another one. Maybe you can take your job back at Google or Facebook for a while until you start your next one; that's actually a big benefit."

"That's all part of the magic that makes Boulder special," added Cliff Harald, executive director of the chamber's economic-development arm, the Boulder Economic Council. "We have a very powerful ecosystem that supports large and small alike."

Brad Feld, co-founder of the Foundry Group, began financing technology startups in the area in the early 1990s.

"If you look at the evolutionary history of Boulder," Feld said, "the presence and growth of companies like Google have tracked with the regular and steady growth of the overall startup community."

Feld always "talks about how important large companies are to the vitality of smaller startups," Harald noted, "because big companies will partner with startups — funding, contractual services. Large companies' employees can be mentors to startup entrepreneurs. Or they'll spin off new companies. That interdependence of larger and smaller early-stage companies is a powerful, almost mystical kind of synergy.

"And remember, not all large companies are as good at innovation as startups or have the nimbleness and agility that can jumpstart success."





## SBIR/STTR Grants

Ranked by the amount of grant

Rank	Company	Amount of grant Agency	Contract end date Proposal award date	Type Phase	Award Title	Website Phone
1	Ceebus Technologies LLC 1221 Pearl St., Boulder CO 80302	\$3,299,840 Department of Defense	May 30, 2020 May 29, 2018	STTR Phase II	Small Team Command, Control, Communications and Situational Awareness (C3SA), SOCOM08-001	www.ceebus.com 303-442-0512
2	M.M.A. Design LLC 2000 Taylor Ave., #200, Louisville CO 80227	\$1,699,581 Department of Defense	April 3, 2020 January 16, 2018	SBIR Phase II	Improved Solar Cell Power for Cubesats	www.mmadesignllc.com 720-728-8491
3	Tech-X Corp. 5621 Arapahoe Ave., Suite A, Boulder CO 80303	\$1,499,998 Department of Defense	November 13, 2019 November 14, 2017	SBIR Phase II	Plasma Simulation Code Encompassing Single-Fluid through Two-Fluid Models	www.txcorp.com 303-448-0727
4	Numerica Corp. 5042 Technology Parkway, #100, Fort Collins CO 80528	\$1,499,778 Department of Defense	March 9, 2020 March 9, 2018	SBIR Phase II	Commercial Space Catalog	www.numerica.us 970-207-2200
5	Mantel Technologies Inc. 2401 Research Blvd., Suite 204, Fort Collins CO 80526	\$1,499,744 Department of Defense	August 2, 2019 February 5, 2018	SBIR Phase II	Freeze Dried Plasma for Canines	www.manteltechnologies.com N/A
6	First RF Corp. 6150 Lookout Road, Boulder CO 80301	\$1,499,422 Department of Defense	July 31, 2019 July 27, 2018	SBIR Phase II	High Gain Common Data Link (CDL) Antennas for Networking UAV Nodes	www.firstrf.com 303-449-5211
7	Roccor LLC 2602 Clover Basin Drive, Suite D, Longmont CO 80503	\$1,499,415 Department of Defense	June 21, 2020 June 21, 2018	SBIR Phase II	Bonding Composite TRAC Booms for NASA Missions	www.roccor.com 303-200-0068
8	Blue Canyon Technologies LLC 5330 Airport Blvd., Boulder CO 80301	\$1,498,130 Department of Defense	June 22, 2020 June 22, 2018	SBIR Phase II	Spacecraft Integrated-Power and Attitude-Control System	www.bluecanyontech.com N/A
9	Stratton Park Engineering Co. 3022 Sterling Circle, #200, Boulder CO 80301	\$1,415,925 Department of Energy	May 20, 2020 May 21, 2018	SBIR Phase II	High-Resolution Cloud Probe for the ArcticShark UAV and Tethered Balloon Systems	www.specinc.com 303-449-1105
10	RadiaSoft LLC 3380 Mitchell Lane, Boulder CO 80301	\$1,241,781 Department of Energy	May 20, 2020 May 21, 2018	SBIR Phase II	Simulation of nanoscale high-efficiency thermionic converters	www.radiasoft.net 720-502-3928
11	Mbio Diagnostics Inc. 5603 Arapahoe Ave., Boulder CO 80303	\$1,207,856 Department of Defense	January 7, 2019 January 8, 2018	SBIR Phase II	Point-of-care Monitoring of the Host-Pathogen Interaction during Infection	www.mbiidx.com 303-952-2905
12	RadiaSoft LLC 3380 Mitchell Lane, Boulder CO 80303	\$1,009,993 Department of Energy	May 20, 2020 May 21, 2018	SBIR Phase II	Accurate Spin Tracking on Modern Computer Architectures for Electron-Ion Colliders	www.radiasoft.net 720-502-3928
13	Tech-X Corp. 5621 Arapahoe Ave., Suite A, Boulder CO 80303	\$1,009,931 Department of Energy	May 20, 2020 May 21, 2018	SBIR Phase II	RemoteSTREAMM: A Web Application for Running HPC Materials Simulations in the Cloud	www.txcorp.com 303-448-0727
14	Tech-X Corp. 5621 Arapahoe Ave., Suite A, Boulder CO 80303	\$1,009,886 Department of Energy	August 26, 2020 August 27, 2018	SBIR Phase II	Particle In Cell Simulation of Nanotube Growth	www.txcorp.com 303-448-0727
15	Tech-X Corp. 5621 Arapahoe Ave., Suite A, Boulder CO 80303	\$1,009,133 Department of Energy	August 26, 2020 August 27, 2018	SBIR Phase II	Advanced Simulations of Helicon Antennae and Sources	www.txcorp.com 303-448-0727
16	Advanced Conductor Technologies LLC 3082 Sterling Circle, Boulder CO 80301	\$1,000,000 Department of Defense	April 24, 2020 May 2, 2018	STTR Phase II	Fully Encapsulating Dielectrics for Gaseous Helium Cooled Superconducting Power Cables	www.advancedconductor.com 888-959-6405
17	Kapetyn-Murnane Laboratories Inc. 4775 Walnut St., #102, Boulder CO 80301	\$1,000,000 Department of Energy	May 20, 2020 May 21, 2018	SBIR Phase II	Sub-diffraction illumination source for Saturated Transient Absorption Microscopy	www.kmlabs.com 303-544-9068
18	Advanced Conductor Technologies LLC 3082 Sterling Circle, Boulder CO 80301	\$1,000,000 Department of Energy	August 26, 2020 August 27, 2018	SBIR Phase II	High-temperature superconducting cables for compact fusion reactors	www.advancedconductor.com 888-959-6405
19	Advanced Conductor Technologies LLC 3082 Sterling Circle, Boulder CO 80301	\$1,000,000 Department of Energy	July 15, 2020 August 27, 2018	STTR Phase II	CORC; Cable Based High Field Hybrid Magnets for Future Colliders	www.advancedconductor.com 888-959-6405
20	OptTek Systems Inc. 2241 17th St., Boulder CO 80302	\$1,000,000 Department of Defense	January 21, 2020 January 22, 2018	SBIR Phase II	OptDef- Extensions for High Performance Computing and Monte Carlo Management	www.opttek.com 303-447-3255
21	Kapetyn-Murnane Laboratories Inc. 4775 Walnut St., #102, Boulder CO 80301	\$1,000,000 Department of Defense	January 6, 2020 January 2, 2018	SBIR Phase II	Stretcherless, Femtosecond mJ Fiber Amplifier with Coherent Pulse Stacking	www.kmlabs.com 303-544-9068
22	Xerion Advanced Battery Corp. 10955 Westmoor Drive, Westminster CO 80021	\$999,999 Department of Defense	April 15, 2020 April 16, 2018	SBIR Phase II	Advanced Battery Manufacturing Technologies	www.xerionbattery.com 720-229-0697
23	Sporian Microsystems Inc. 515 Courtney Way, Suite B, Lafayette CO 80026	\$999,998 Department of Energy	August 26, 2020 August 27, 2018	SBIR Phase II	High Temperature, Raman Spectroscopy Based, Inline, Molten Salt Composition Monitoring System for Concentrating Solar Power Systems	www.sporian.com 303-516-9075
24	Dakota Ridge R&D 130 Mohawk Drive, Boulder CO 80303	\$999,787 Department of Defense	May 8, 2020 May 8, 2018	SBIR Phase II	Passive Characterization of the Refractivity Environment and Temperature and Water Vapor Vertical Distributions Afloat	N/A N/A
25	Grid7 LLC 7136 Petrusdale Court, Boulder CO 80301	\$999,363 Department of Energy	August 26, 2020 August 27, 2018	SBIR Phase II	E-Blockchain: A Scalable Platform for Secure Energy Transactions and Control	N/A 303-516-1482

Includes Small Business Innovation Research and Small Business Technology Transfer grants.

Researched by BizWest  
Source: U.S. Small Business Administration

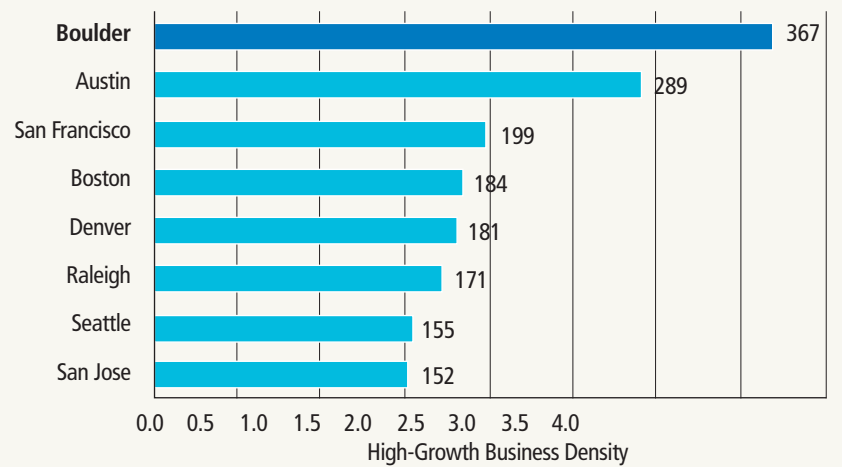


### Business, job and employment density (MSA)

MSA	Employment 2016	Businesses 2016	Jobs per capita	Businesses per capita
Austin-Round Rock, TX MSA	953,519	55,151	0.46	0.027
Boston-Cambridge-Newton, MA-NH MSA	2,603,895	161,094	0.54	0.034
<b>Boulder, CO MSA</b>	<b>176,652</b>	<b>14,683</b>	<b>0.55</b>	<b>0.046</b>
<b>City of Boulder</b>	<b>93,017</b>	<b>6,249</b>	<b>0.86</b>	<b>0.058</b>
<b>Denver-Aurora-Lakewood, CO MSA</b>	<b>1,415,926</b>	<b>99,059</b>	<b>0.50</b>	<b>0.035</b>
Portland-Vancouver-Hillsboro OR-WA MSA	1,129,639	84,906	0.47	0.035
San Francisco-Oakland-Hayward, CA MSA	2,319,731	190,548	0.50	0.041
San Jose-Sunnyvale-Santa Clara, CA MSA	1,063,091	71,282	0.54	0.036
Seattle-Tacoma-Bellevue, WA MSA	1,894,408	129,878	0.50	0.034

Source: Bureau of Labor Statistics, QCEW, 2018

### INC. 500 high-growth company density 2011-2017 (City)



Source: Brookings Institute, 2017

### Innovation, from 22

As visible as are some of Big Tech’s expanding footprints, such as Google’s massive facility along 30th Street, Harald is quick to point out that Boulder remains mostly a small-business economy. He said data provided by the University of Colorado Boulder indicates that 98 percent of businesses in the city have 50 or fewer employees and 76 percent have fewer than 10.

Are startups at a disadvantage when it comes to competing for talent and space as well as finding affordable places for workers with smaller paychecks to live? Tayer, Harald and Zola don’t think so — at least not now.

“You can’t make the assumption that individuals who have tech experience always want to gravitate to the biggest player in the field,” Tayer said. “A lot of them are energized by entering a startup business; they have the opportunity to grow or develop themselves. It’s not a straight question of salary and benefits. Many folks looking for career opportunities that are fulfilling find it in a fresh-off-the-ground startup.”

Zola said many workers attracted to Boulder are “willing to sacrifice some near-term benefits for the opportunity to be part of a startup. Not everyone can forgo a standard level of benefits, but how about the learning curve? Big companies can’t offer that experience. Sure, perks or benefits are flashy and nice, but the benefits at a startup are a small team, an agile environment, more autonomy.”

“You can go somewhere and earn fancy salaries at the big players, but your opportunities are limited in terms of equity acquisition. There’s a lot more value being put on meaningful amounts of equity in an early-stage company in Colorado.”

Availability of office and industrial space also has benefitted from the synergy, Tayer said.

“In many respects, big tech has been the catalyst for new commercial development,” he said. “We’ve not seen a diminution of available space for startups. Some of our larger tech

### 2017 Venture Capital Investment (City)

City	2017 Financing Deals	2017 Total (\$M)	Per capita Financing (\$)
San Francisco	797	\$12,580	\$14,445
<b>City of Boulder</b>	<b>65</b>	<b>\$448</b>	<b>\$4,141</b>
Boston	173	\$2,221	\$3,301
Seattle	138	\$1,548	\$2,197
<b>Boulder County</b>	<b>78</b>	<b>\$485</b>	<b>\$1,505</b>
San Jose	72	\$1,064	\$1,037
Austin	121	\$770	\$812
Denver	69	\$448	\$701
Portland	30	\$209	\$326

Source: Bureau of Labor Statistics, QCEW, 2018

industries have built their own accommodations and then rent out space, so they’re often a catalyst for further entrepreneurship and innovation. We also get a number of new-business inquiries interested in locating near some of the larger tech companies.”

The inevitable downside, he noted, is that “our strong economy drives up housing prices. We cannot deny we are in a very desirable place to live.”

Boulder’s expansive and scenic parcels of designated open space enhance that quality of life, but also impose limits on areas that can be developed for housing.

“We’re a huge supporter and protector of open space,” Tayer said. “It’s not only a quality-of-life asset but a significant driver of our economic success. We also recognize that within the doughnut of open space, there’s a great opportunity for more compact developments and more multi-use development in a variety of areas around our community — more diversity of housing stock.”

He cited the work of the chamber’s Boulder Together program to develop that broader spectrum of housing diversity, “while also recognizing that not all our workforce is going to want to work here or we can necessarily accommodate. Part of that is improving our transit system to move commuters in and out.”

Harald agreed that “the Denver-Boulder housing market can be expensive for people, but it’s not as expensive as coastal communities. Housing affordability is relative. We’ve seen kind of a balancing in the housing market, a little tempering of significant appreciation in prices. And we’re starting to see wages going up. So we might see more of an equilibrium between housing prices and incomes.”



HARALD

Zola said Techstars clients haven’t had much trouble finding office space, either landing in co-working situations or subleased offices.

“When the company’s scaling, we have more challenges because there are fewer large office spaces. We’re still pretty cost-effective compared with the coasts, though.”

The hefty cost of housing is “probably the bigger issue,” Zola said. “Your savings last a shorter time to do a startup. That’s probably the more concerning thing to me. Maybe you offer discounted salaries in the beginning, but how long can you go before revenue is enough to pay for it or you need to raise money? That’s not stopping them but it’s in the back of their minds.”

“Making sure your employees can

“Companies are aware that there are challenges associated here, but a lot of municipalities have challenges associated with that, especially those where it’s a favorable place to work.”

Becky Callan Gamble, president of Dean Callan & Co.



GAMBLE

live comfortably is more of a macro concern for me.”

Boulder’s city government has wrestled with the affordable-housing issue for years, and in recent months has been debating a proposal that has left Boulder Chamber officials and commercial real-estate firms less than comfortable.

In February, Boulder leaders implemented a development moratorium as a way to address concerns that investors in the city’s Opportunity Zone — a 2.5-square-mile tract bounded by 28th and 29th streets, Arapahoe Avenue and the Diagonal Highway — would reap all the rewards of the program and speed up gentrification rather than assist disadvantaged home seekers. Local affordable-housing advocates and some City Council members warned that without changes to the city’s land-use table, the city’s balance between jobs and housing would be made worse by commercial development in the zone.

The federal opportunity-zone program, created in 2017, lets capital-gains taxes be deferred if the gains are used for real-estate investments. It also defers future appreciation, so that if the capital-gains investments are left in place longer than 10 years, taxation is excluded completely.

“On a macro level, we understand



council's position on growth, and it's not a new thing to Boulder," said Becky Callan Gamble, president of Dean Callan & Co., a commercial real-estate firm operating in the city since 1963. "We've gone through decades of councils, some that are business-friendly and some that make it a little more challenging. Companies are aware that there are challenges associated here, but a lot of municipalities have challenges associated with that, especially those where it's a favorable place to work, which Boulder is.

"Affordable housing is not anything new, and always is a hot topic for candidates to run on or discuss," she said. "I don't think it's a secret they'd like to see some additional workforce housing options."

By August, the Boulder Planning board had recommended ending the development moratorium. Some in the business and development communities liked that idea, but not the proposed series of changes to the regulations that guide land use in Boulder that became linked to the repeal.

The proposed new land-use regulations would limit office uses to no more than 25 percent of a building's floor area unless onsite affordable housing is included, would block construction of additional offices in some largely residential areas where office space already is abundant, and would increase scrutiny of developments that didn't fit within that newly defined scope through the city's non-conforming use review process, potentially slowing or stalling projects.

The proposal was up for second reading Sept. 3, but after three hours of discussion, debate and public comment from residents, affordable-housing advocates and members of the business community, the council sent the related ordinances back to staff for additional review until a session scheduled for early October.

"One of the big concerns we are hearing about is small business and the potential loss of those businesses," Councilwoman Mary Young said during the Sept. 3 meeting. Boulder Chamber public affairs director Andrea Meneghel praised the work of council members and city planning staff but added, "We understand what you want to do, but we aren't sure if this is the way to go about it."

The chamber published figures estimating that the more restrictive land use tables could affect properties citywide, not just those properties within the Opportunity Zone. That figure refers to the total number of parcels within zoning districts that would be substantively changed by new city regulations.

"It's pretty draconian," Tayer said. "The initial proposal would have said any business expanding by 10 percent or any office building would have to go through use review. Many thousands of businesses would have been impacted by that regulation. It's clear they weren't sensitive to the time such a review process takes and many thousands of dollars businesses would have to invest in use-review applica-

tions, all with uncertainty that they would be approved.

"City Council heard the concerns and asked staff to go back to the drawing board and take another crack at it," he said. "We're awaiting the revised recommendations from staff but at the same time proposing a different approach."

Tayer urged the city instead to "start to approach the business community in a collaborative way to urge incentives that would motivate businesses and commercial property owners to transition to residential development.

"Scarcity increases demand," Tayer said, "and the consequence is that prices and rent rates rise. It makes it more burdensome on small busi-

nesses and entrepreneurs as they try to find a foothold in our community."

Gamble said she agrees but also sees the controversy as the nature of the beast in Boulder.

"I think it has some landlords and developers concerned," she said, "but companies that were concerned about their ability to grow in Boulder — that existed before this, and companies considering Boulder certainly will keep close tabs on the political climate and what's been set forth by this council. There could be a new direction in a few more months. We just don't know."

Techstars' Zola acknowledged the challenges, but said he believed they can be overcome by the overwhelming energy of Boulder's entrepre-

neurial environment, especially for startups.

"When you can't compete on benefits or perks or pay, you're offering early equity opportunities," he said, "the opportunity to make a difference and be a part of something from the beginning.

"A lot of people work in big companies, but there are layers of people working ahead of you doing the work you want to do. At a startup, you can do the work of your boss's boss's boss on Day 1.

"Obviously, the nice payout if you can change the world is motivating."

*BizWest staff writer Lucas High contributed to this report.*

## WE MENDED A FAILING HEART AND KEPT THEIR ROMANCE ALIVE

When you have that newlywed glow, everything seems rosy. So when Jean Richter started feeling short of breath, she wasn't initially concerned. But then her symptoms worsened and her beloved husband, Dave, had to rush her to the Foothills Hospital Emergency Department.

Jean was diagnosed with heart failure, a chronic condition that has a 50% survival rate within five years of diagnosis if not treated correctly. Luckily for Jean, Boulder Community Health had recently opened the first specialized Heart

Failure Clinic in Boulder County. Dr. Scott Blois's expertise with the latest treatment options set Jean on a remarkable journey back to a full active life.

"I have a wonderful husband, five incredible daughters and 13 grandkids I adore," says Jean. "I'm so happy we can hike, travel and have fun together again."

**Read Jean's story at [bch.org/healinghearts](http://bch.org/healinghearts) or call 303-442-2395 for information about Boulder County's first Heart Failure Clinic.**



 **Boulder Community Health**  
BOULDER HEART

**Boulder Heart**  
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4743 Arapahoe Ave., Suite 200  
in Boulder  
Medicare accepted



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# BW ThoughtLeaders

## BUSINESS ANSWERS FROM THE EXPERTS

### LAW

#### Quiet Title Actions – What Are They? When To Use Them?

Quieting title is a legal procedure to establish someone's right to ownership of real property against one or more adverse parties. An adverse party is one who claims an ownership interest in, or interferes with enjoyment of the property, decreases the value of the property, or renders the title uninsurable.



James Godbold  
Attorney at Law

Each time real property moves from one owner to another, a new link is created in the "chain of title." If there is a broken link in the chain, or a link with problems, a quiet title suit may be necessary to resolve this break. In effect, a quiet title action is a form of declaratory judgment in which the Court is declaring the rights of the parties to the property in question. The dispute can be over full ownership of the property, or a claim of partial ownership (such as a claim for ownership of minerals on the property, an easement over the property, or a lien in an amount that does not exceed the value of the property).

Quiet title actions are frequently used in several situations. They can be used to resolve boundary disputes, where adjoining property owners disagree about the proper location of the boundary for their properties.

They can be used to resolve conflicting surveys between adjacent properties. They can also be used to resolve questions over whether there is an easement or right-of-way over a piece of property.

In Northern Colorado, quiet title actions are also commonly used to resolve disputes over ownership of minerals and oil & gas rights. Where there is a dispute, lack of certainty, or conflict over ownership of oil & gas, quiet title actions are frequently necessary to resolve this issue.

If you need assistance in handling a title dispute, boundary dispute, or issues over ownership of oil & gas, an attorney with experience in quiet title actions can provide legal guidance to protect your best interests and preserve your ownership in property.



1812 56th Avenue  
Greeley, CO 80634  
970-330-6700  
jgodbold@nocoattorneys.com

### MARKETING

#### Culture and Strategy Weigh in Equally When it Comes to Business Success

As a business owner, what would you pick to attract loyal customers, retain great employees and achieve long-term success? Culture, strategy or a combination of both?

Culture is the invisible stuff that holds organizations together, but if it isn't clearly defined or doesn't align with a business's goals, it won't be sustainable over the long-term. The result can be disorganized based on what the employees want and experience.

How then can a company establish a successful business strategy and a great workplace culture so the two work in harmony?

Companies can start by defining their culture, managing that culture and reviewing and improving their business strategy. Strategy is the ideas whereas culture is the action, or how things get done.

A good business strategy, which is different from a business plan, does several things. It gives an organization a sense of purpose and helps employees become engaged, focused, motivated and excited about the company's branding. It also outlines a company's goals, values, mission and vision and identifies what sets the company apart from the competition. It also defines how a company measures success.

To develop a sound business strategy, companies can get an overall view of the business. To do this, they can:

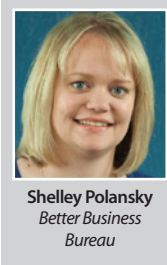
- **Evaluate Vision and Mission Statements** to align them with workplace practices.
- **Develop Objectives** for all areas of the business, highlighting the priorities that will help the business carry out its vision and mission.
- **Define the Ideal Customer** to target the key markets and figure out what makes the company's offerings appealing to that audience.
- **Add Community Value** by figuring out how the business can make a difference in the community, for the environment or even at the global level.

Review performance on a regular basis to ensure objectives and action plans are on track and identify any areas needing improvement. This helps break down and prioritize what's happening in the workplace and what needs to happen next.

Defining, setting and carrying out a great strategy involves getting employees on board, eager to share the company's vision and goals.

Companies can do several things to increase employee engagement and improve workplace culture:

- **Support Employee Growth:** Offer incentives for employees to engage in additional education or training opportunities, provide on-the-job coaching and offer feedback beyond annual reviews.
- **Promote Wellness:** Be sure to include work-life balance and promote personal well-being.
- **Think Mission and Vision:** Ensure your employees understand the company's mission, vision and values, so that they feel included in the company's growth plans. Having a BBB accreditation shows employees that the business places stake in trust, transparency and integrity.



Shelley Polansky  
Better Business  
Bureau



Shelley Polansky  
President/CEO  
Better Business Bureau Serving  
Northern Colorado and Wyoming  
p: 970-484-1348  
f: 970-221-1239  
bbb.org

### TECHNOLOGY

#### Business Continuity & Data Protection

Let's face it, in today's business world, data is king and protecting it is critical. As a business owner, it can be argued that besides your staff and your clients your data is the next most valuable asset you possess. However, many businesses treat their data and the protection of their data with a very cavalier attitude.

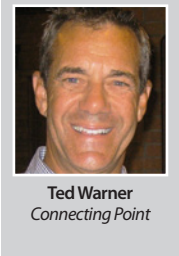
Listed below are some of the most important considerations for a small business owner to evaluate when protecting their data:

1. **How long can your business afford to be down?** This is commonly called RTO (Recovery Time Objective). It is the target amount of time you set for the recovery of your IT and business activities after a disaster strikes. Savvy business owners understand how much each hour of downtime costs them. It is imperative for all businesses to minimize downtime and be confident in the RTO they have selected.
2. **What is your loss of data tolerance?** This is commonly called RPO (Recovery Point Objective). It is a measure of how much data you can afford to lose. This will drive how often you backup your data. For example, if your RPO is one day of data, you must set your backups to run each day.

Backing up and protecting your business data is critical, but it is dwarfed by the most important factor; recovery of your data. Businesses that simply assume their valuable data is properly backed up can be in for a rude awakening. Your IT provider or support team must be able to demonstrate that data is properly backed up AND easily and quickly recoverable.

The next piece that is critical to consider is what data and which servers should be backed up, and how quickly can the compromised files or servers be recovered. It's wonderful if data is backed up and available, but if it takes hours or days to recover from an incident, it truly isn't a workable solution. Even most smaller businesses today have multiple servers. It's imperative that business owners evaluate each business-critical server and how it will be backed up and recovered gracefully and in a timeframe that is acceptable to the business.

At Connecting Point, we are experts in data protection and business continuity. Let our professionals discuss your business needs and put together a plan that ensures your valuable data is properly protected and recoverable.



Ted Warner  
Connecting Point



Ted Warner  
Founder/Consultant  
2401 17th Street  
Greeley, CO 80634  
(970) 356-7224 Main line  
(970) 395-2303 Direct line  
twarner@cpcolorado.com



# BW ONE ON ONE

## Interview with Jana Sanchez, executive director of LaunchNo.CO

Each month, BizWest asks a business leader to participate in a question and answer feature to help shed light on a business topic, an industry or add insight to a field of endeavor. This month, Jana Sanchez, executive director of LaunchNo.CO, talks about startups and innovation in Northern Colorado.

**BizWest:** How does LaunchNo.CO differ from other organizations in Northern Colorado that work with startups and small businesses?

**Jana Sanchez:** LaunchNo.CO is unique in that we are industry and type agnostic with the businesses we help, and that we have a larger geographic footprint than most of the providers already out there. It's important to note that while we provide services and run PitchNo.CO, our primary focus is to help be on the ramp for entrepreneurs to find the right resources at the right time to help their businesses grow, whomever may be running those services. So we send companies to Innosphere, or the SBDC, or the Workforce Center, or wherever for their unique needs. And we do it for any business under five years old in Larimer or Weld county.

**BizWest:** What are the biggest barriers to success as you see them for small business in this region?

**Sanchez:** The first is the need for a community of support. Starting a business is HARD. Doing it alone, in your basement, without support and feedback, is monumentally harder. Providing entrepreneurs and small business owners with the opportunity to connect, share, and learn from each other in a way that also helps provide access to resources they may not know exist for them, helps make it a little easier. There are days you just need someone else who knows what you're going through.

The other biggest barrier is for startups more specifically, and that's access to capital. I have investors who



COURTESY JANA SANCHEZ

Jana Sanchez, executive director of LaunchNo.CO

tell me all the time they are completely surprised with the kinds of companies we are building in Northern Colorado. They simply don't know the amazing things we're doing in the region. It's the reason we started PitchNo.CO — so we could show off the depth of talent and companies we have and really shine a spotlight on them. It's making a difference in the perception of the region.

**BizWest:** Tell us a story about how LaunchNo.CO efforts made a difference in the life of a client business.

**Sanchez:** There are so many! I'll take our most recent PitchNo.CO winner, Jennifer Henderson of TILT (formerly Career Allies), which helps companies manage parental leave. Jennifer's company also just recently won the Bravo IQ Award. Jennifer and I met when she was pitching for the first time at Longmont Startup week in July of 2018. We helped connect her with mentors and support

to really solidify her pitch, and then invited her to participate in PitchNo.CO. PitchNo.CO provided almost 20 different experts to give feedback on her business plan, and then she won \$18,000 in services to help move her business forward. She was also competing in the Monfort Business Challenge, and came multiple times to our 1 Million Cups meetup for practice and feedback. She took third there, behind another PitchNo.CO company, Laborjack. Now our job is to help connect her to as many people as possible who can help her finish raising her round and growing her business.

**BizWest:** Tell us about PitchNo.CO — lessons learned and what's ahead.

**Sanchez:** Our biggest lesson with PitchNo.CO has been how truly valuable it is for business owners to receive genuine, expert feedback on their business plan so they can thrive. Time after time we have

participants tell us they've walked away with something that's going to help them make a step change in their business. And despite it being a competition, our participants really get to know and support each other throughout the process.

We're running our third PitchNo.CO again during Fort Collins Startup Week in February. Applications will open Oct. 1. Also on the back burner for later in 2020, InvestNo.CO is coming. We'll have more on that at Startup Week, but it's going to be exciting!

**BizWest:** How might people get involved in helping small businesses and startup businesses succeed?

**Sanchez:** Start by showing up. Make time to attend 1 Million Cups on a Wednesday morning, or even a single day of Startup Week. Or any of the dozens of meetups that support entrepreneurs and small business. Get to know the community and how your skills and knowledge might fit in. Reach out to organizers and volunteer. There are opportunities to mentor with multiple groups that fit your expertise. But everything begins with showing up and participating in the community.

**BizWest:** Anything else that readers of BizWest should know about your organization or about the business climate here?

**Sanchez:** Keep an eye out this fall for our resource guide! We're working on cataloguing all of the resources available to people starting companies in Northern Colorado in one place. We want to provide a clear on ramp and path for founders and owners to follow as they begin the adventure of entrepreneurship, tailored to the specific type of company they're starting.

And PitchNo.CO applications for our 2020 competition will open Oct. 1! Any company operating in Larimer or Weld county that is less than five years old and has made less than \$500,000 in revenue can apply.

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COURTESY MACMILLAN DEVELOPMENT

A Marriott hotel is planned for just south of the Colorado State University campus near Prospect and College in Fort Collins.

# Hotels propel Midtown vision

By Elizabeth Gold  
news@bizwest.com

FORT COLLINS — Since the 1860s when Fort Collins was founded as an Army camp, the city has grown to a population of about 170,000 and just under 60 square miles in size. As a regional hub for business, culture and recreation, it's the home of Colorado State University and the 33,877 students enrolled.

Like all cities, Fort Collins grew from a single spot that took off in

many directions. Around 2012, the city's public and private sectors came together to create a vision for how to grow the area so both businesses and residents would thrive now and into the future.

A specific area of focus — Midtown — which runs along College Avenue from Prospect to Harmony, continues to get attention as a primary location for creating a look, a welcoming atmosphere for both locals and visitors, along with opportunities. The intention of the Midtown

**“Fort Collins has grown to the south for the last 40 years.”**

Les Kaplan, developer and president of Imago Enterprises

plan, which continues to change with opportunities, includes developing and remodeling buildings that bring businesses into the area and supports

sustainable growth.

Two real estate projects in the works now fit into the Midtown Plan, which area property owners, business owners and residents first developed in 2012 as a way of spotlighting the area as distinct and representative of Fort Collins. One real estate development application is focused on a single hotel and the other is for a hotel as well as residential buildings and retail sites.

Saunders Commercial Development along with MacMillan Develop-

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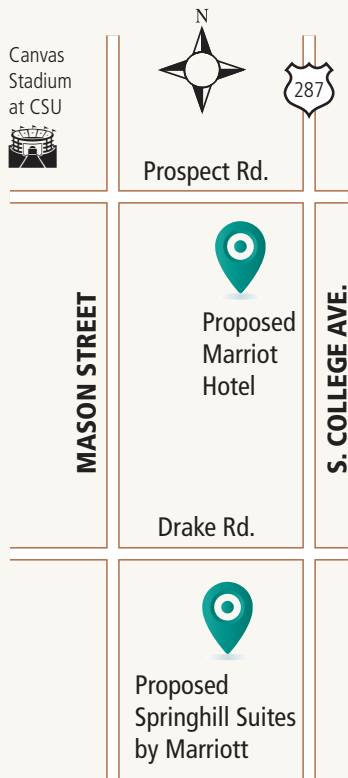


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## Midtown Fort Collins plan area

A Marriott Hotel is planned for just south of the Colorado State University campus near Prospect Rd. and S. College Ave. in Fort Collins; further south is a proposed Springhill Suites by Marriott with Renascent Hospitality as the operator near Drake Rd. and S. College Ave.



ment and Les Kaplan, developer and president of Imago Enterprises, are heading up the single hotel project proposed for Prospect Road and College Avenue. The land is currently housing Chuck E. Cheese with a lease that has been extended into 2020.

Brinkman Development is developer for the proposed hotel and retail space as well as residential apartments at Drake Road and College Avenue.

“Fort Collins has grown to the south for the last 40 years,” said Kaplan, who owns the land at Prospect and College. “This area — Midtown — used to be south Fort Collins. It developed with highway business, big boxes and parking lots, not with any plans for it to have sidewalks and to be a destination.

“Fort Collins continued to grow to the south so that the area that was considered to be south of downtown found itself in the middle of Fort Collins.” The land-use characteristics that are there are an underutilization of what the property is, he added.

Kaplan described the proposed six-story Marriott Hotel project at Prospect and College as a gateway to CSU. A development application has just been submitted to the city of Fort Collins.

With the proposed hotel sitting across from campus, it will serve the needs of university visitors and professors as well as general Fort Collins’

## “Depending on incentive opportunity, we are planning a blended affordable housing opportunity.”

Jay Hardy, president of Brinkman

tourism, he said.

The hotel will have about 150 rooms and include a restaurant and outdoor patio, according to Stu MacMillan with MacMillan Development. It will be a Marriott property but the brand, such as a Renaissance or Residence Inn, hasn’t been decided yet. If the process goes smoothly, building would start in the summer of 2020 with 12 to 18 months of construction. Stonebridge Cos. will come in as part owner and will operate the hotel, according to MacMillan.

The budget currently sits at \$35 million for the completed project, according to Trae Rigby, Saunders vice president of development.

Brinkman Development’s hotel and mixed-use project at Drake Road and College Avenue is currently planned to include a 110-room hotel, 1,200 residential units and three retail buildings of approximately 18,000 square feet, according to Jay

Hardy, Brinkman president. Budget is about \$80 million and is planned to be a Springhill Suites by Marriott with Renascent Hospitality as the operator.

The initial proposal described a four-story hotel and a five-story residential portion.

“Depending on incentive opportunity, we are planning a blended affordable housing opportunity,” Hardy said. “This would be within the 200 units of housing.”

Brinkman submitted a formal development application for the project, also referred to as Spradley Barr Mazda Redevelopment, last summer. It is currently in a process of review for tax increment financing, according to Clay Frickey, redevelopment program manager with Fort Collins Urban Renewal Authority.

If the Urban Renewal Authority approves the site for tax increment financing, property taxes generated by improvements will help finance infrastructure costs. “The city and the school district couldn’t come to terms on that sharing so we went to mediation in July and will hear back on it at the end of October,” Frickey said. “The sticking point from the school district’s perspective is that they want the city to guarantee a back filling of any money that could be diverted from the school district [taxes] to this project.”

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**Marcel Arsenault, principal and founder, Real Capital Solutions**  
 What to Expect: Commercial Real Estate in the Coming Years — Commercial real estate operates in cycles, and sub-sectors can plateau at different times. Famed real estate investor Marcel Arsenault will describe what metrics he examines in order to predict real estate cycles, to ensure that he's buying low and selling high.



**Steve Murray, principal, RealTrends**  
 Challenges and Opportunities — The role of real estate agents and brokerage firms is challenged as never before. Yet usage and satisfaction continue to be at record-high levels. Murray will address why this is so and how real estate professionals will continue to play a vital role in the dream of homeownership, even as he relates some of the latest trends for real estate sales in the Boulder Valley and beyond.

**Residential Forecast:** What do the latest numbers tell us about the residential market in the Boulder Valley? We'll examine sales numbers, listings, average and median prices and much more.  
**Todd Gullette**, managing broker, ReMax of Boulder

**Commercial Forecast:** Office, retail and industrial space is filling up throughout the Boulder Valley. We'll take a look at major developments and sales, as well as the latest vacancy and leasing statistics.  
**Lynda Gibbons**, president & managing broker, Gibbons-White Inc.  
**Angela Topel**, senior broker associate, Gibbons-White Inc.

**The Big Projects**  
 Boulder might be landlocked, but major properties are slated for development or redevelopment in the coming years, both inside the city and beyond. What visions will drive transformation of these properties, and how do city desires mesh with those of property owners and developers? Our panel will discuss projects such as the former Boulder Community Hospital, Diagonal Plaza, the Armory project on North Broadway, Baseline and the Phillips 66 development.  
**Moderator: Berg Hill Greenleaf Ruscitti**  
**Panelists:**  
**Kim Sperry**, managing director, Pollack Shores (The Armory)  
**Chad Brue**, Brue Baukol Capital Partners (Phillips 66)

**What's Next in Real Estate?**  
 Instant offers and iBuyers, technology-driven appraisals — technology continues to revolutionize the residential real estate sector. What are the latest trends, and how will they affect how homes are bought and sold in the Boulder Valley?  
**Moderator: Jay Kalinski**, Re/Max of Boulder  
**Panelists:**  
**Anthony Meisner**, Land Title Guarantee Co.  
**Kelly Moye**, Re/Max Alliance Northwest  
**Melanie Nygren**, Premier Mortgage Group

**Breaking Ground**  
 Communities throughout the Boulder Valley are seeing a wave of new commercial construction, with some projects in the planning stage and others already emerging from the ground. Our panel of development directors will provide a complete rundown of the region's top projects. This panel is a huge hit year after year!  
**Panelists:**  
**Anna Bertanzetti**, director of planning, City and County of Broomfield  
**Roger Caruso**, economic-development director, city of Lafayette  
**Tony Chacon**, redevelopment program manager, City of Longmont  
**Clint Folsom**, Mayor, Town of Superior  
**Chris Meschuk**, assistant city manager/interim planning director, City of Boulder  
**Ben Pratt**, economic-development director, Town of Erie

**The State of Real Estate**  
 Looking at the future of the real estate sector requires close attention to a variety of metrics. Our expert panel will discuss the latest numbers and trends in mortgage rates, home building, developed lots, population projections, sales activity, appreciation and more.  
**Moderator: Duane Duggan**, Re/Max of Boulder  
**Panelists:**  
**Chris Akers**, economist, Colorado Demography Office  
**Lou Barnes**, senior mortgage loan officer, Premier Mortgage Group  
**John Covert**, senior director, MetroStudy's Colorado-New Mexico region

**The Boulder Horizon**  
 Development in Boulder has faced a wave of restrictions in recent years, including a building moratorium in the opportunity zone, more-restrictive height limits, affordable-housing linkage fees, requirements for ground-floor retail in certain neighborhoods, large-lot restrictions, potential downzoning and more. How have these approaches affected commercial and residential development within the city, and what approach will a new city council likely take?  
**Moderator: Geoffrey Keys**, president, Keys Commercial Real Estate LLC  
**Panelists (To be announced)**

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## Real estate sales

This chart compares statistics in August for real estate sales in Northern Colorado from 2018 and 2019:

Sub-Market	August sales 2018	August sales 2019	1-year % change ('18-'19)	Avg. Price 2018	Avg. Price 2019	1-year % Change ('18-'19)	*12-month avg.
Berthoud	32	48	50.0%	\$401,080	\$394,864	-1.55%	\$392,854
Fort Collins	305	296	-2.95%	\$392,756	\$391,861	-0.23%	\$390,832
Estes Park	39	39	0%	\$473,730	\$536,831	13.32%	\$482,221
Timnath	29	32	10.34%	\$672,921	\$599,968	-10.84%	\$515,146
Wellington	38	35	-7.89%	\$309,908	\$331,790	7.06%	\$323,033
Greeley/Evans	221	217	-1.81%	\$265,992	\$288,552	8.48%	\$276,846
Loveland	181	168	-7.18%	\$363,362	\$383,409	5.52%	\$396,226
Severance	42	39	-7.14%	\$369,277	\$393,764	6.63%	\$384,874
Windsor	97	108	11.34%	\$410,169	\$418,732	2.09%	\$403,591
Ault/Eaton/ Johnstown/ Kersey/LaSalle/ Mead/Milliken	126	144	14.29%	\$322,255	\$359,093	11.43%	\$320,619
Longmont	198	169	-14.65%	\$458,071	\$446,842	-2.45%	\$421,560

Source: IRES; \*Rolling average covers 12-month period from Sept. 1, 2018-Aug. 31, 2019

## In recessions, local real estate prices often run against the grain

In recessions, local real estate prices often run against the grain. Economic cycles happen.

And as our current economic expansion moves forward (reaching a record 122 months as of August), it's hardly surprising to hear from economists and media pundits who want to weigh in with their opinions on when it might come to an end.



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While such speculation is likely to continue — and not all experts agree that a recession is imminent — I'd like to offer some perspective about how Northern Colorado's housing market has weathered recessions in the past, and the position that local real estate is in today.

First of all, let's look back on our last five U.S. recessions and their impact on home prices. It's probably not what you'd think. During three of those five recessions, average home prices across the country still increased. And in the Fort Collins-Loveland area, home prices increased in four of the five recessions. We don't have Greeley-area data for the 1980 and 1981 recessions, but Greeley-area prices did increase in two of the last three recessions.

For a snapshot of what I'm talking about, take a look at this table:

### Local home sales

	U.S.	Fort Collins/Loveland	Greeley
1980	+6.1%	+3.4%	NA
1981*	+3.5%	+7.8%	NA
1991	-1.9%	+4.4%	+5.4%
2001	+6.6%	+8.0%	+9.2%
2008	-19.7%	-2.2%	-6.9%

\*In 1982, average Fort Collins-Loveland area home prices decreased by 3.9%. Source: Federal Housing Finance Agency

There are two conclusions we ought to draw from this recent history:

1. First, a recession does not equal a housing crisis. More specifically, the market conditions today are much different than we witnessed in 2008. In fact, Javier Vivas, director of economic research at Realtor.com, recently observed that "Over-construction is largely what got us into trouble last recession, and we've experienced just the opposite since then." And Zillow economist Jeff Tucker goes further to say "Rather than risky borrowers taking on adjustable-rate mortgages, we have buyers with sterling credit scores taking out predictable 30-year fixed-rate mortgages.

2. Second, we can see that home values across Northern Colorado have been more resistant to negative price trends than the country as a whole.

Which leads me to another important consideration amidst all the concern for a slowdown. The Northern Colorado housing market is healthier now than it's been at any point in the last five years. In fact, a recent survey found that Fort Collins ranks No. 4 among the country's best housing markets for home price growth and stability. That's also true up and down the Front Range, with Boulder, Denver, and Cheyenne, Wyoming, all among the top 10.

Bottom line, I see nothing in our data analysis to show our economy in Northern Colorado weakening. Low mortgage rates are providing homeowners with the opportunity to refinance while also allowing buyers to purchase homes at favorable terms. Furthermore, housing inventory — which was tight for several years earlier in this decade — has increased, easing the stress on home prices and giving potential buyers more time to consider where they want to invest.

Brandon Wells is president of The Group Inc. Real Estate, founded in Fort Collins in 1976 with six locations in Northern Colorado.



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## PARTNERSHIPS BRING COMMUNITY PROJECT TO LIFE

City officials, staff, project team and community members recently gathered to celebrate the official grand opening of The Foundry, a \$76 million public/private partnership with the City of Loveland, Brinkman and investment partners Brue Baukol Capital Partners and Colmena Group. The development includes two mixed-use apartment buildings, first-run MetroLux Dine-In Theatre, TownePlace Suites by Marriott, a 460-stall parking garage, and a community plaza.

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## Property-Management Firms

Ranked by total square feet managed.

Rank	Company	Total sq ft managed Commercial sq ft managed Residential sq ft managed	No. of commercial properties managed No. of apartment units managed No. of houses managed	No. of employees - Local	Phone/Fax Email Website	Person in charge, Title Year founded
1	<b>W.W. Reynolds Cos., dba WWR Real Estate Services LLC</b> 1375 Walnut St., Suite 10 Boulder, CO 80302	3,800,000 3,800,000 0	49 0 0	27	303-442-8687/303-442-8757 info@wwreynolds.com www.wwreynolds.com	William Reynolds, owner 1966
2	<b>Etkin Johnson Real Estate Partners</b> 1512 Larimer St., Suite 100 Denver, CO 80202	2,050,941 2,050,941 0	25 0 0	24	303-650-6500/N/A N/A www.etkinjohnson.com	1989
3	<b>The Colorado Group Inc.</b> 3434 47th St., Suite 220 Boulder, CO 80301	1,948,131 1,851,617 0	96,514 69 0	4	303-449-2131/303-449-8250 marketing@coloradogroup.com www.coloradogroup.com	Scott Reichenberg, president 1984
4	<b>Henderson Management &amp; Real Estate</b> 5202 Granite St. Loveland, CO 80538	1,551,394 1,08,467 1,442,927	10 635 578	38	970-663-6311/970-484-8246 N/A www.hmre.net	Jason Hanson, member 1994
5	<b>Keys Commercial Real Estate</b> 1048 Pearl St., Suite 440 Boulder, CO 80302	1,300,000 130,000 0	21 0 0	10	303-447-2700/303-447-1150 keys@keys-commercial.com www.keys-commercial.com	Geoffrey Keys, president 1983
6	<b>Gibbons-White Inc.</b> 2305 Canyon Blvd., Suite 200 Boulder, CO 80302	1,200,000 1,200,000 0	56 0 0	12	303-442-1040/303-449-4009 info@gibbonswhite.com www.gibbonswhite.com	Lynda Gibbons, president/managing broker 1986
7	<b>Waypoint Real Estate LLC</b> 120 W. Olive St., Suite 220 Fort Collins, CO 80524	1,100,000 1,091,650 8,350	35 7 0	17	970-632-5050/N/A bgeisert@waypointre.com www.waypointre.com	Joshua Guernsey, managing broker 2016
8	<b>Dean Callan &amp; Co. Inc.</b> 1510 28th St., Suite 200 Boulder, CO 80303	850,000 850,000 0	35 0 0	9	303-449-1420/303-440-6621 info@deancallan.com www.deancallan.com	Gina Calley, vice president ; Becky Gamble, president 1963
9	<b>Investors Properties LLC</b> 2850 McClelland Drive, Suite 1600 Fort Collins, CO 80525	737,422 737,422 0	26 0 0	4	970-226-2600/N/A info@investors-usa.com www.investors-usa.com	Mark Lockwood, managing broker 2005
10	<b>Palmer Properties</b> 3711 John F. Kennedy Parkway, Suite 317 Fort Collins, CO 80525	650,000 650,000 0	37 0 0	12	970-204-4000/970-207-0081 spalmer@palmerpropertiesco.com www.palmerpropertiesco.com	Spiro Palmer, CEO 1979
11	<b>W.W. Reynolds Cos.</b> 1601 Prospect Park Way, Suite 220 Fort Collins, CO 80525	631,181 631,181 0	30 0 0	6	970-482-4800/970-221-5009 terri@wwreynolds.com www.wwreynolds.com	William Reynolds, owner; Terri Hanna, Fort Collins manager/leasing agent 1980
12	<b>My House Property Services</b> 1302 S. Shields St., A 1-4 Fort Collins, CO 80521	562,000 10,915 551,000	9 135 188	15	970-689-8803/970-224-2835 myhouse@myfortcollinshome.com www.myfortcollinshome.com	Kris Ticnor, Owner 2007
13	<b>All County Property Management of Boulder</b> 6650 Gunpark Drive, Suite 200 Boulder, CO 80301	400,000 0 400,000	0 80 180	8	720-428-2100/720-428-2105 contact@allcountyboulder.com www.allcountyboulder.com	Simon Heart, owner/ president 2012
14	<b>All County Fort Collins Property Management</b> 126 W. Harvard Drive, Suite 3 Fort Collins, CO 80525	175,000 0 175,000	0 40 80	5	970-825-1000/970-825-1001 contact@allcountyfc.com www.allcountyfc.com	Simon Heart, president/ owner 2015
15	<b>Property Management Services &amp; Solutions</b> 155 E. Boardwalk Drive, Suite 353 Fort Collins, CO 80525	160,000 0 160,000	0 44 35	1	970-672-8550/N/A focopertysolutions@gmail.com www.fortcollinspropertiesolutions.com	Vicky Fanea, managing broker; Anthony Burnett, property manager/ broker 2009
16	<b>Irwin &amp; Hendrick Ltd.</b> 2299 Pearl St., Suite 400 Boulder, CO 80302	142,740 141,200 1,545	6 2 0	0	303-444-9771, ext. 19/303-442-6852 admin@irwinandhendrick.com www.irwinandhendrick.com	Sallie Taylor, broker associate and property manager 1976

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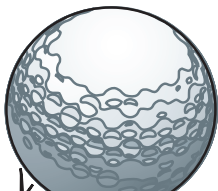
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# BW LIST

## Architecture Firms


Ranked by number of licensed architects

Rank	Firm	No. of licensed architects No. of employees	Firm services Notable projects	Phone Website Year founded	Person in charge, Title
1	<b>Boulder Associates Architects</b> 1426 Pearl St., Suite 300 Boulder, CO 80302	30 63	Architecture, interior design and graphic design for health-care and senior-living facilities.	303-499-7795 www.boulderassociates.com 1983	Tim Riddle, president
2	<b>OZ Architecture</b> 2206 Pearl St. Boulder, CO 80302	20 25	Architecture, interior design, planning, urban design, brand experience design	303-861-5704 www.ozarch.com 1964	Eduardo Illanes, principal; Becky Stone, managing partner
3	<b>The Neenan Co.</b> 3325 S. Timberline Road, Suite 100 Fort Collins, CO 80525-4427	16 142	Integrated design-build firm specializing in education, health-care, government and commercial buildings.	970-493-8747 www.neenan.com 1966	David Shigekane, president
4	<b>RB+B Architects Inc.</b> 315 E. Mountain Ave., Suite 100 Fort Collins, CO 80524	13 20	Architecture, interiors, planning and sustainable design. Odell Brewing Co., Red Truck Brewing, Tivoli Brewing, Boulder JCC, New PSD High Schools, Emerald Elementary School, Windsor Readiness Center	970-484-0117 www.rbbarchitects.com 1953	David Kress, principal
5	<b>Animal Arts Design Studios</b> 4520 Broadway, Suite E Boulder, CO 80304	11 30	Architectural design.	303-444-4413 www.animalarts.com 1979	Tony Cochrane, president
6	<b>Vaught Frye Larson Aronson Architects Inc.</b> 419 Canyon Ave., Suite 200 Fort Collins, CO 80521	11 15	Sustainable commercial and residential architecture, historical preservation, interior design and master planning.	970-224-1191 www.vfla.com 1986	Robin Pelkey, CFO
7	<b>Arch 11 Inc.</b> 3100 Carbon Place, Suite 100 Boulder, CO 80301	7 19	Arch11 is a boutique architecture practice creating distinctive organic modern design. Our work, informed by the specifics of place and purpose, heightens the experience of the everyday. Roth Distribution showroom & headquarters in Denver. Corrida Restaurant in Boulder. Preto House in Boulder County.	303-546-6868 www.arch11.com 1993	James Trewitt; Kenneth Andrews, principals
8	<b>Surround Architecture Inc.</b> 2520 Broadway Boulder, CO 80304	7 13	Architectural design, feasibility and conceptual studies, planning, contract administration, interior design and tenant improvements.	303-440-8089 www.surroundarchitecture.com 2005	Dale Hubbard, principal and founder
9	<b>alm2s</b> 712 Whalers Way, Suite B-100 Fort Collins, CO 80525	7 11	Architecture, master planning, facility space planning, interior design, historic preservation, sustainable design. Greeley City Center; Timnath Town Center; CU Boulder Williams Village East.	970-223-1820 www.alm2s.com 1986	Brad Massey, principal; Shaun Moscrip, Principal; Ian Shuff, Principal
10	<b>F9 Productions</b> 703 Third Ave., Suite 101 Longmont, CO 80501	7 7	Architectural services for new construction and remodels. Cityview, Lakewood; Jazzhouse, Lakewood.	507-358-3124 www.f9productions.com 2009	Lance Cayko, president
11	<b>DTJ Design Inc.</b> 3101 Iris Ave., Suite 130 Boulder, CO 80301	6 62	Architecture, landscape architecture and planning services for residential communities, senior living, resort & hospitality, urban design and themed attractions. Balfour Sr. Living; Lavender Farms & Littleton. Centennial Olympic Park, Atlanta. Universal Studios, Volcano Bay. Live at Downtown Superior.	303-443-7533 www.dtjdesign.com 1988	William (Bill) Campie, president; David Williams, Director of Architecture
12	<b>Sopher Sparn Architects LLC</b> 1731 15th St., Suite 250 Boulder, CO 80302	6 18	Full-service architects specializing in high-end residential, single-family homes, affordable and luxury multifamily housing, private schools, commercial mixed-use, land-use and master planning. S'PARK Development, Dairy Arts Center, Washington Village, Shining Mountain Waldorf School, 1978 Chung Tai Zen Center	303-442-4422 www.sophersparn.com 1978	Stephen Sparn, principal; Adrian Sopher, Principal


Region surveyed includes Boulder, Broomfield, Larimer and Weld counties and the city of Brighton.

Researched by BizWest  
Second ranking criteria is number of employees.

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# BW LIST

## Architecture Firms

Ranked by number of licensed architects

Rank	Firm	No. of licensed architects No. of employees	Firm services Notable projects	Phone Website Year founded	Person in charge, Title
13	<b>[au]workshop Architects + Urbanists</b> 405 Linden St. Fort Collins, CO 80524	6 7	Architecture, programming, project visioning, capacity/feasibility studies, site analysis, urban design, master planning, interior design, construction administration, graphic design, branding.	970-818-1589 www.auworkshop.co 2013	Randy Shortridge, design principal; Jason Kersley, managing principal
14	<b>Bray Architecture Inc.</b> 1300 Yellow Pine Ave., Unit C Boulder, CO 80304	6 6	Designs and coordinates projects locally and nationally.	303-444-1598 www.brayarchitecture.net 2005	Jim Bray, president
15	<b>KGA Studio Architects PC</b> 950 Spruce St., Suite 2D Louisville, CO 80027	5 18	Residential architectural firm specializing in custom homes, whole house remodels, production housing, community centers and small to medium-sized multifamily projects. Vivant, a luxury home community with 1.5 acre home sites in Parker, recently recognized as Detached Community of the Year at the 2019 National Awards	303-442-5882 www.kgarch.com 1977	Jennifer Williams, managing partner/ president
16	<b>Hauser Architects PC</b> 3780 E. 15th St., Suite 201 Loveland, CO 80538	4 8	Architecture and planning, commercial/residential.	970-669-8220 www.hauserarchitectspc.com 2003	Alan Hauser, president
17	<b>HMH Architecture + Interiors</b> 1701 15th St., Suite B Boulder, CO 80302	4 8	Modern architecture and interior design for residential, commercial and mixed-use projects. Includes new construction as well as renovation/remodeling.	303-444-8488 www.hmhai.com 1989	Harvey Hine, partner; Cherie Goff, president
18	<b>Infusion Architects</b> 206 E. Fourth St., Suite 250 Loveland, CO 80537	4 8	Full-service architecture firm specializing in health care, multifamily, senior care, commercial office, restaurants, retail and industrial. OCR Surgery & Recovery Center, Loveland; Meyer Natural Foods Offices, Loveland; Town of Windsor Public Works Facility.	970-775-2925 www.infusionarchitects.com 2014	Randell Johnson, principal; Lee Hardies, Principal
19	<b>Arcadea Architecture</b> 741A Pearl St. Boulder, CO 80302	4 6	Personalized architecture; interior, lighting, and landscape design for custom homes, multi-family and commercial projects. Cost estimating, site planning and feasibility studies.	303-449-6605 www.arcadea.com 1995	David Biek, principal
20	<b>DAJ Design</b> 922A Main St. Louisville, CO 80027	4 4	Custom residential and commercial architecture and interiors, green building design. Remodels and new construction.	303-527-1100 www.dajdesign.com 2001	Andy Johnson, principal
21	<b>F&amp;D International LLC</b> 1930 Central Ave., Suite B Boulder, CO 80301	3 16	Full range of architectural services, including planning, architectural design, interior design, needs assessments, facility assessments and project management. Meeker Fire & Rescue, new fire station; Berthoud Community Center, major remodel; University of Colorado, facility-condition assessments.	303-652-3200 www.fdi-one.com 2001	Teri Ficken, president
22	<b>Studio NYL Structural Engineers Inc.</b> 2995 Baseline Road, Suite 314 Boulder, CO 80303	3 13	Structural design of building structures including educational, institutional, commercial, residential, historic and structural glass. Design of facade systems including thermal and moisture analyses.	303-558-3145 www.studionyl.com 2004	Julian Lineham; Christopher OHara, principals
23	<b>PEH Architects Inc.</b> 1319 Spruce St., Suite 207 Boulder, CO 80302	3 9	Full-service architectural and planning practice. Emphasis on recycling existing buildings and designing for aesthetics, budget and schedule. Medical Office Building - Erie, CO Gebhardt BMW Service Building Boulder, CO	303-442-0408 www.peharchitects.com 1985	Peter Heinz, principal
24	<b>Fanas Architecture</b> 1320 Pearl St., Suite 103 Boulder, CO 80302	3 6	Client inclusive design, specializing in custom homes, remodels and commercial.	303-444-5380 www.boulderarchitects.com 2001	Dale Smith, president/ architect
25	<b>Barrett Studio Architects</b> 1734 Hawthorn Ave. Boulder, CO 80304	3 5	Sustainable master planning, architecture and interior design. First Universalist Church of Denver; Kestrel Affordable Housing, Louisville	303-449-1141 www.barrettstudio.com 1977	David Barrett, owner/ design principal

Region surveyed includes Boulder, Broomfield, Larimer and Weld counties and the city of Brighton.

Researched by BizWest  
Second ranking criteria is number of employees.

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**Schultz**, from 3

25th year this year, is its largest service reaching millions of children nationwide. It is offered in three different lines every year and also is field tested.

“In the big scheme of things, we tried to be a resource to churches with training events, books and curriculum,” Joani said. “We serve churches all over this country and all over the world.”

Other additions include the Group You institute, which provides online training for group leaders to get certified in ministry, a Youtube channel with Christian music videos, and documentary films and video components for curriculums and online resources. The company, which has camera crews, a studio, audio bay and post-production facilities, has made hundreds of short films for Life-tree Café, a national network of community discussion forums on issues affecting society, plus full-length films across the U.S. and abroad.

Thom and Joani also coauthored numerous books, including “Why Nobody Wants to Go to Church Anymore” and “The 1 Thing.” Thom directed the documentary film, “When God Left the Building,” founded Group Serves, which organizes volunteer mission trips to help disadvantaged families worldwide, and created a blog and podcast, HolySoup.com, to challenge the status quo.

To have room for the various additions, the company moved to the



JOEL BLOCKER / FOR BIZWEST

**Jesse Bailey, a distribution clerk with Group Publishing in Loveland, picks through an order that's about to be sent down to the packing department during a recent shift at the company's distribution warehouse. Group Publishing, which has been in its Loveland location for the past 20 years, employs more than 170 workers.**

their information online and in many cases for free, Thom said. At one time there were 5,000 Christian bookstores and now there is a fraction of that, he said, adding that church membership and participation also is declining.

“Over the years, we’ve had a lot of changing business conditions to cause us to need fewer staff, including some things like the digital influence affecting publishing, both in terms of physical space and how customers get the information they need today,”

The company also provides a sound educational methodology in the materials it produces, he said.

“Almost all publishers have the same model of working with authors and packaging and distributing their voice and their messages. That’s a typical publishing model,” Thom said. “We do that, too, but what’s different about us is we have an underlying premise, filters and philosophy that permeates everything we do.”

Another part of the company’s suc-

cess comes from the culture inside of the building, Joani said. It starts with entering the front door and hearing a moose hanging above the fireplace say things in Thom’s voice, she said.

“You can walk in and feel the vibe,” Joani said. “We have all kinds of things that can engage our staff.”

Tiffany Rogers, staff services director, finds that the culture makes Group Publishing a “special and unique” company, she said

“It’s made up of how we work together as an organization and our innovative practices in terms of our curriculum,” Rogers said, adding that the average staff turnover is 10 years. “They are here because they believe in the mission. Our work has a greater purpose beyond just making a physical product.”

The books, videos and other products Group Publishing produces create life-changing experiences for the users, which impact their lives, Rogers said.

“Even though we’re a business, we’re a business with a mission that has a great impact on the community and all over the world,” Rogers said.

The staff is motivated by knowing they can make that difference, Thom said.

“The number one thing staff would tell you that turns their cranks is the mission going back to making a difference,” Thom said. “(It’s) the idea that what they do day in and day out makes a real difference in people’s lives.”



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Mildred

*Mildred was asked what she liked best about Good Samaritan Society – Water Valley. She replied, “I have lived in this community for 11 years and was one of the first residents to move in. I couldn’t pick what I liked best because I love everything; the staff, my friends, the food, everything.”*

- Mildred



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## Private Offerings

Ranked by amount raised

Not previously published

Rank	Company	Total offering amount Total amount sold Total amount remaining to be sold	Date Filed Date of First Sale	Type of filing	Type of securities offered Minimum investment	Website Phone
1	Charlotte's Web Holdings Inc. 2425 55th St., Boulder CO 80301	\$418,654,010 \$418,654,010 <sup>1</sup> 0	September 7, 2018 August 30, 2018	New notice	Equity N/A	www.cwhemp.com 719-338-9893
2	MHP Boston Investments LLC 2725 Rocky Mountain Ave., Suite 200, Loveland CO 80538	\$62,165,000 \$62,165,000 0	September 17, 2018 September 5, 2018	New notice	Equity \$10,000	www.mcwhinney.com 970-962-9990
3	Inscripta Inc. 5500 Central Ave., Suite 220, Boulder CO 80301	\$55,499,974 \$55,499,974 0	March 1, 2018 February 20, 2018	New notice	Equity \$0	www.inscripta.com 720-759-4088
4	Somalagic Inc. 2945 Wilderness Place, Boulder CO 80301	\$44,881,135 \$44,879,987 1,148	January 10, 2018 December 28, 2017	New notice	Equity \$0	www.somalagic.com 303-625-9000
5	Red Dot Holdings III LP 248 Centennial Parkway, Suite 100, Louisville CO 80027	\$50,000,000 \$37,850,000 \$37,850,000	October 16, 2018 October 1, 2018	New notice	Equity, Pooled investment fund interests \$0	www.reddotstorage.com 303-749-0394
6	ArcherDX Inc. 2477 55th St., Suite 202, Boulder CO 80301	\$37,642,142 \$37,642,142 0	March 20, 2018 March 5, 2018	New notice	Equity \$0	www.archerdx.com 877-771-1093
7	CC - Tiger Global PIP XI LP 1048 Pearl St., Suite 450, Boulder CO 80302	N/A <sup>2</sup> \$30,552,621 N/A <sup>2</sup>	October 25, 2018 September 27, 2018	New notice	Pooled investment fund interests \$500,000	www.crestonecapital.com 303-442-4447
8	Congruex LLC 2595 Canyon Blvd., Suite 400, Boulder CO 80302	\$30,021,296 \$30,021,296 0	November 27, 2018 November 16, 2018	New notice	Equity \$0	www.congruex.com 720-749-2316
9	Techstars Corporate Partner LLC 1050 Walnut St., Suite 202, Boulder CO 80302	\$60,000,000 \$21,600,000 \$38,400,000	April 23, 2018 April 13, 2018	New notice	Pooled investment fund interests \$0	www.techstars.com 303-720-6559
10	sovrm Holdings Inc. 5541 Central Ave., Boulder CO 80301	\$25,000,000 \$20,699,999 4,300,001	October 23, 2018 October 11, 2018	New notice	Equity \$0	www.sovrm.com 720-336-7802
11	Husk Power Systems Inc. 430 N. College Ave., Fort Collins CO 80524	\$35,000,000 \$20,000,000 \$15,000,000	July 26, 2018 June 27, 2018	New notice	Equity \$0	www.huskpowersystems.com 208-890-0465
12	Lignetics Investment Corp. 1075 E. South Boulder Road, Louisville CO 80027	\$20,000,000 \$20,000,000 0	February 28, 2018 February 14, 2018	New notice	Equity \$20,000,000	www.lignetics.com 212-661-0936
13	MH House Irvine Investments LLC 2725 Rocky Mountain Ave., Suite 200, Loveland CO 80538	\$18,955,000 \$18,955,000 0	October 10, 2018 September 26, 2018	New notice	Equity \$5,000	www.mcwhinney.com 970-962-9990
14	Oskar Blues Brewery Holding Co. LLC 1800 Pike Road, Unit B, Longmont CO 80501	\$18,473,301 \$18,473,301 0	July 20, 2018 July 16, 2018	New notice	Equity \$0	www.oskarblues.com 303-776-1914
15	Accera Inc. <sup>3</sup> 3005 Center Green Drive, Suite 205, Boulder CO 80301	\$50,139,527 \$17,639,537 \$32,499,990	March 26, 2018 February 9, 2018	New notice	Equity \$0	www.cerecin.com 303-999-3700
16	Biodesix Inc. 2970 Wilderness Place, Suite 100, Boulder CO 80301	\$27,524,500 \$17,511,736 10,012,764	October 23, 2018 October 10, 2018	New notice	Equity \$0	www.biodesix.com 303-417-0500
17	Pena MH Investments LLC 2725 Rocky Mountain Ave., Suite 200, Loveland CO 80538	\$16,425,000 \$16,425,000 0	April 25, 2018 April 17, 2018	New notice	Equity \$50,000	www.mcwhinney.com 970-962-9990
18	Kenosha High Yield Fund VI LP 1048 Pearl St., Suite 450, Boulder CO 80302	N/A <sup>2</sup> \$16,050,000 N/A <sup>2</sup>	April 18, 2018 December 20, 2017	New notice	Pooled investment fund interests \$100,000	www.crestonecapital.com 303-442-4447
19	Front Range Biosciences Inc. 1408 Horizon Ave., Unit 203, Lafayette CO 80026	\$15,878,905 \$15,878,905 0	October 4, 2018 July 31, 2018	New notice	Equity, Option, Warrant or other right to acquire another security, Security to be acquired upon exercise of option, warrant or other right to acquire security \$0	www.fronrangebio.com 617-320-8743
20	Maroon Peaks Private Equity Fund IX LP 1048 Pearl St., Suite 450, Boulder CO 80302	N/A <sup>2</sup> \$13,990,000 N/A <sup>2</sup>	July 11, 2018 June 18, 2018	New notice	Pooled investment fund interests \$100,000	www.crestonecapital.com 303-442-4447
21	Sphero Inc. 4772 Walnut St., Suite 206, Boulder CO 80301	\$20,000,000 \$12,099,999 7,900,001	June 5, 2018 May 25, 2018	New notice	Equity \$0	www.sphero.com 303-502-9466
22	Wunder Co. 1702 Walnut St., Boulder CO 80302	\$11,610,835 \$11,431,562 179,273	April 19, 2018 April 12, 2018	New notice	Equity \$0	www.wundercapital.com 888-660-7823
23	Misty Robotics Inc. 2540 Frontier Ave., Suite 101, Boulder CO 80301	\$10,999,998 \$10,999,998 0	December 14, 2018 December 5, 2018	New notice	Equity \$0	www.mistyrobotics.com 720-370-4912
24	Occipital Inc. 1801 13th St., Suite 202, Boulder CO 80302	\$15,000,002 \$10,930,743 4,069,259	January 22, 2018 January 8, 2018	New notice	Equity \$0	www.occipital.com 734-216-7018
25	PanTheryx Inc. 5480 Valmont Road, Suite 325, Boulder CO 80301	\$14,999,996 \$10,711,756 4,288,240	July 12, 2018 July 3, 2018	New notice	Equity \$0	www.pantheryx.com 303-951-6883

Source: U.S. Securities & Exchange Commission Form D filings, new filings only. Amount raised is as of date of filing.

1 Equity issued upon completion of a business combination pursuant to the terms of an Agreement and Plan of Merger.

2 Indefinite.

3 Now Cerecin Inc.

4 Convertible promissory notes and the equity securities issuable upon conversion of such notes.

5 Convertible promissory notes and the equity securities issuable upon conversion thereof.

Researched by BizWest



Not previously published



## Private Offerings

Ranked by amount raised

Rank	Company	Total offering amount Total amount sold Total amount remaining to be sold	Date Filed Date of First Sale	Type of filing	Type of securities offered Minimum investment	Website Phone
26	Harbinger Ventures II LLC 2897 Mapleton Ave., Suite 100, Boulder CO 80304	\$30,000,000 \$10,665,000 19,335,000	June 26, 2018 June 15, 2018	New notice	Pooled investment fund interests \$250,000	www.harbingerventures.com 203-536-7323
27	Arapaho Springs Real Estate Fund LP 1048 Pearl St., Suite 450, Boulder CO 80302	N/A <sup>2</sup> \$10,450,000 N/A <sup>2</sup>	August 3, 2018 May 27, 2018	New notice	Pooled investment fund interests \$100,000	www.crestonecapital.com 303-442-4447
28	Automox Inc. 1909 Broadway, Suite 200, Boulder CO 80302	\$9,300,017 \$9,300,002 15	November 13, 2018 October 26, 2018	New notice	Equity \$0	www.automox.com 720-306-1939
29	Xiant Technologies Inc. 532 54th Ave., Greeley CO 80634	\$8,999,841 \$8,999,841 0	August 16, 2018 August 8, 2018	New notice	Equity, Option, Warrant or other right to acquire another security, Security to be acquired upon exercise of option, warrant or other right to acquire security \$0	www.xiantinc.com 970-515-7513
30	XRO Energy LLC 12303 Airport Way, Suite 170, Broomfield CO 80021	\$38,000,000 \$8,687,500 29,312,500	September 7, 2018 August 24, 2018	New notice	Equity \$25,000	N/A 303-993-1981
31	Biodesix Inc. 2970 Wilderness Place, Suite 100, Boulder CO 80301	\$7,987,428 \$7,987,428 0	July 16, 2018 June 30, 2018	New notice	Equity \$0	www.biodesix.com 303-417-0500
32	BillGo Inc. 3003 E. Harmony Road, Suite 300, Fort Collins CO 80528	\$7,500,012 \$7,500,012 0	October 29, 2018 October 2, 2018	New notice	Equity \$0	www.billgo.com 970-232-9670
33	Eximis Surgical Inc. 315 W. South Boulder Road, Suite 110, Louisville CO 80027	\$16,000,000 \$7,500,000 8,500,000	November 8, 2018 October 25, 2018	New notice	Equity \$0	www.eximissurgical.com 720-890-1111
34	Liqid Inc. 329 Interlocken Parkway, Suite 200, Broomfield CO 80021	\$7,500,000 \$7,474,600 25,400	December 6, 2018 November 20, 2018	New notice	Debt, Option, Warrant or other right to acquire another security, Security to be acquired upon exercise of option, warrant or other right to acquire security \$696,600	www.liqid.com 303-500-1551
35	Green Mountain Debt Holdings LLC 1941 Pearl St., Suite 200, Boulder CO 80302	N/A <sup>2</sup> \$7,009,000 N/A <sup>2</sup>	June 7, 2018 December 21, 2017	New notice	Equity \$0	N/A 866-704-0490
36	Backbone PLM Inc. 1722 14th St., Suite 105, Boulder CO 80302	\$6,700,000 \$6,700,000 0	August 9, 2018 July 27, 2018	New notice	Equity \$0	www.backboneplm.com 303-500-1580
37	Montezuma Fund IV LP 1048 Pearl St., Suite 450, Boulder CO 80302	N/A <sup>2</sup> \$5,700,000 N/A <sup>2</sup>	May 8, 2018 January 25, 2018	New notice	Pooled investment fund interests \$100,000	www.crestonecapital.com 303-442-4447
38	DTR I LLC 1002 Walnut St., Suite 300, Boulder CO 80302	\$50,000,000 \$5,325,000 44,675,000	February 5, 2018 January 25, 2018	New notice	Equity \$0	www.dtradvisors.com 303-325-3501
39	Biodesix Inc. 2970 Wilderness Place, Suite 100, Boulder CO 80301	\$10,282,858 <sup>4</sup> \$5,282,162 5,000,696	May 8, 2018 April 13, 2018	New notice	other \$0	www.biodesix.com 303-417-0500
40	mBio Diagnostics Inc. 5603 Arapahoe Ave., Suite 1, Boulder CO 80303	\$6,422,500 \$5,206,032 1,216,468	August 21, 2018 August 8, 2018	New notice	Equity \$25,000	www.mbiidx.com 303-952-2905
41	Eximis Surgical Inc. 315 W. South Boulder Road, Suite 110, Louisville CO 80027	\$10,228,392 \$5,148,378 5,080,014	March 2, 2018 February 15, 2018	New notice	Equity \$0	www.eximissurgical.com 303-532-7138
42	Yonomi Inc. 939 Pearl St., Suite 205, Boulder CO 80302	\$5,000,000 \$5,000,000 0	January 11, 2018 December 29, 2018	New notice	Equity \$0	www.yonomi.co 303-589-0070
43	OnKure Inc. 1105 Spruce St., Boulder CO 80302	\$4,957,450 \$4,957,450 0	February 8, 2018 February 6, 2018	New notice	Equity \$22,518	www.onkuretherapeutics.com 720-323-9110
44	CFS Holding Inc. 2560 55th St., Boulder CO 80301	\$4,518,600 \$4,383,189 135,411	April 27, 2018 March 15, 2018	New notice	Equity, Option, Warrant or other right to acquire another security \$0	www.mycfsapp.com 855-808-5861
45	5071 Inc. 2095 W. Sixth Ave., Suite 112, Broomfield CO 80020	\$5,500,000 \$4,341,582 1,158,418	September 26, 2018 September 14, 2018	New notice	Equity \$0	www.stillwater.life 415-225-9769
46	Antero Debt Holdings LLC 1941 Pearl St., Suite 200, Boulder CO 80302	N/A <sup>2</sup> \$4,275,000 N/A <sup>2</sup>	June 12, 2018 March 8, 2018	New notice	Equity \$0	www.anterocapital.com 866-704-0490
47	Charlotte's Web Holdings Inc. 2425 55th St., Boulder CO 80301	\$4,271,836 \$4,271,836 0	September 7, 2018 September 9, 2018	New notice	Equity \$0	www.cwhemp.com 719-338-9893
48	section.io Inc. 1105 Spruce St., Level 2, Boulder CO 80302	\$5,500,000 \$4,000,001 1,499,999	July 9, 2018 June 27, 2018	New notice	Equity \$0	www.section.io 720-772-0681
49	ColdQuanta, Inc. 3030 Sterling Circle, Boulder CO 80301	\$6,999,999 \$4,000,000 2,999,999	July 11, 2018 June 29, 2018	New notice	Equity \$0	www.coldquanta.com 303-440-1284
50	Wear Pact LLC 2108 55th St., Suite 200, Boulder CO 80301	\$4,000,000 \$4,000,000 0	April 11, 2018 February 2, 2018	New notice	Debt, other <sup>5</sup> \$0	www.wearpact.com 303-396-1895

Source: U.S. Securities &amp; Exchange Commission Form D filings, new filings only. Amount raised is as of date of filing.

1 Equity issued upon completion of a business combination pursuant to the terms of an Agreement and Plan of Merger.

2 Indefinite.

3 Now Cerecin Inc.

4 Convertible promissory notes and the equity securities issuable upon conversion of such notes.

5 Convertible promissory notes and the equity securities issuable upon conversion thereof.

Researched by BizWest



# BW REAL DEALS

## European-style food hall set to open in Boulder

By Lucas High  
lhigh@bizwest.com

BOULDER — Hungry Boulderites will soon be able to sample cuisine from 10 local, independent chefs under a single roof.

Rosetta Hall, a European-style food hall operated by the owners of the Boulder Theater and the Rembrandt Yard art gallery and event space, is set to open in early October at the former Pop-Up Bar location on Walnut Street.

In addition to a rooftop bar, the hall will feature the following chefs and restaurants:

Modou Jaitheh, Jacaranda  
Julia Wirichs, Petite Fleur  
Dustin Brandt, Confit  
Justin Brunson, Folsom Foods  
Aaron Lande, Ancient Grants  
Natascha Hess, The Ginger Pig  
Alberto Sabbadini, La Tigella  
Joe Lee, Tierra  
Curtis Worthley, Rosetta's Bar  
Vajra Rich, Boxcar

These chefs were narrowed down from a group of roughly 50 restaurant industry veterans who auditioned for a stall at Rosetta Hall.



LUCAS HIGH/BIZWEST

Rosetta Hall, a European-style food hall, will open this month in Boulder.

“When we looked at who we wanted to book for our stall here, we looked at it kind of like a record label,” Rosetta Hall CEO Donovan Greene said. “We want the best chefs just like a record label wants the best artists. We don’t care if they know how to do accounts payable or payroll — we can handle that.”

Rosetta Hall, which is expected to employ about 70 workers, will be open seven days a week for breakfast, lunch and dinner. In the evening on Thursdays, Fridays and Saturdays the space

will turn into a nightlife entertainment space with live music, dancing and film screenings.

“What we’ve seen with the food-hall movement is that it really lowers the barrier of entry to the market, which allows really great and talented chefs to open up their own places,” Greene said.

Rather than charging a fixed rental fee to a chef or restaurant owner, Rosetta Hall collects a percentage of total sales.

“This change of the economic model not only opens things up for chefs, but also allows them to source really high-quality, sustainable ingredients,” Greene said.

By including a variety of types of cuisine, food halls provide customers with a more diverse dining experience than traditional restaurants, he said.

“We’re able to have a lot more adventurous cuisine and interesting things,” Greene said. “The chefs here don’t all have to make a grilled chicken dish or a salmon salad like is offered at restaurants. When you’re not worried about being a catch-all, there are no limits.”

## Quebec cat-litter maker to begin construction on Windsor plant

By Dan Mika  
dmika@bizwest.com

WINDSOR — A Canadian cat-litter company has broken ground on a 52,000-square-foot factory in Windsor’s Great Western Industrial Park.

Groupe Intersand Canada, a premium cat-litter producer that sells products in 45 countries, is building its second factory and its first outside of its native Quebec in the park. Company spokesman Carl Dubois said plant construction is expected to run until March or April next year.

Once at peak production, the company expects that the \$20 million plant will be able to produce up to 250 million pounds of litter annually. The factory will also have space to add production lines at a future time, he said.

Plans to build the litter factory have been in the works for months. BizWest previously reported that a then-unnamed cat litter company had submitted construction plans to Windsor city officials earlier this year.

The company chose the Windsor site due to its proximity to several interstate highways from which it can distribute across the United States.



COURTESY GROUPE INTERSAND CANADA

Groupe Intersand Canada will build a large cat-litter factory in Windsor.

However, the biggest reason that Intersand chose Windsor is because it’s close to Wyoming and its ample supply of sodium bentonite, the raw ingredient that makes cat litter clump when it comes in contact with liquid.

“The best [bentonite] that provides the highest absorption rate around the world is the sodium bentonite

from Wyoming,” he said. “It’s well-renowned for being the purest and being of the highest-quality for cat-litter purposes.”

Dubois said the plant will be highly automated in production, but the company plans to hire about 20 people in production and logistics at the factory.

### PROPERTYLINE

#### Six-story hotel proposed on Fort Collins’ College Ave.

FORT COLLINS — MacMillan Development LLC is planning to build a six-story, 150-room hotel near the southeast corner of Colorado State University’s campus.

The Fort Collins-based development company submitted plans to city planning officials earlier this week, which call for demolishing the buildings that currently house a Chuck E. Cheese franchise and Fort Collins Furniture and Mattress at 1623 S. College Ave., directly south of the CSU Medical Center.

The project has been in the works since at least last May, when developers had initial discussions with city planners for the project. The plans indicate that the building will be 87,481 square feet and have a patio on the ground floor, but does not contain details about whether the hotel will operate under its own moniker or use a hotel-chain nameplate.

#### Developer sues IBM over toxic waste

ERIE — Stratus Redtail Ranch LLC, a company operated by real estate developer Richard Dean, is suing IBM Corp. (NYSE: IBM) for allegedly improperly disposing of hazardous waste in Erie, which has resulted in a costly cleanup and development delays for Dean’s residential housing project.

Also named as a defendant in the suit is WWD LLC, which was the prior owner of the roughly 300-acre Redtail property just southeast of Erie.

Court documents show that at least 1,100 decaying and leaking 55-gallon drums, which were labeled as belonging to IBM, were discovered on the site after Stratus purchased it. That discovery came as the result of an environmental assessment required by the Colorado Department of Public Health and Environment.

Stratus’ lawsuit demands compensation for past and future cleanup costs.

#### Comcast to close Fort Collins call center

FORT COLLINS — Comcast Corp. (Nasdaq: CMCSA) will not renew its lease on its Harmony Road call-center campus, leaving up to 237 workers uncertain about the future of their jobs.

Employees based at the property has the option to stay with Comcast and move into the virtual workforce system, request a transfer to another physical location or leave the company.

The building is owned by Loveland-based McWhinney Real Estate Inc., which purchased the property in May for \$21 million.

Comcast’s lease expires in 2027, but it intends to vacate the property by Dec. 4.



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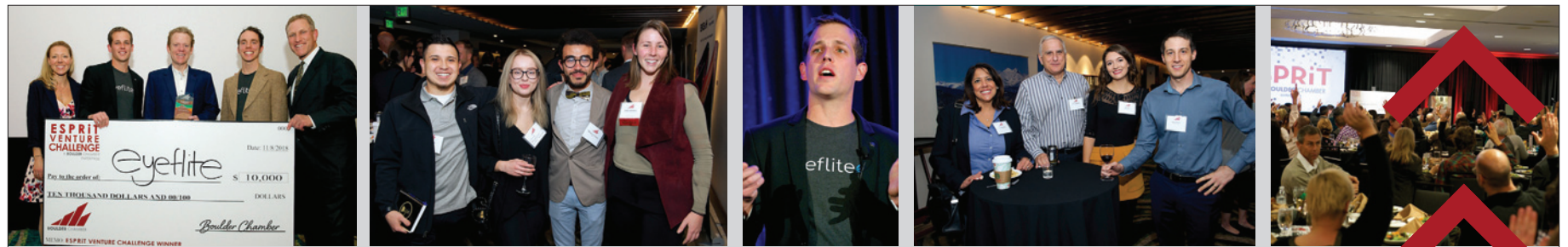


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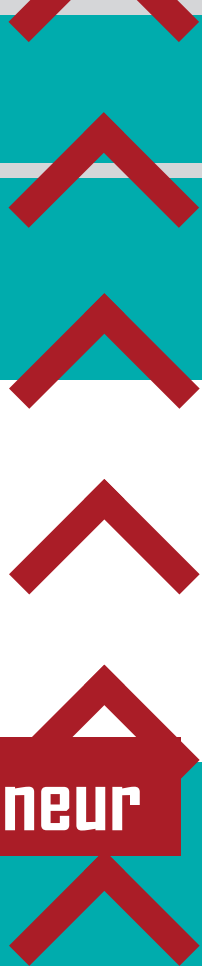


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# Opinions vary about closure of Winter Market

By Jeff Thomas  
news@bizwest.com

DENVER — Keeping all the people happy all of the time is a difficult thing to do; right now the Outdoor Retailer show might settle for keeping half happy in the scheduling of its winter show.

OR recently cancelled its November Winter Market in favor of combining it with its winter show in January, creating a more inclusive event dubbed the Outdoor + Snow Show. While that move was mostly seen as getting a more robust showing from retailers — the November show was poorly attended last year — it's apparent that keeping everyone happy, especially soft-good manufacturers, is a bit of a challenge.

"We did a lot of research in '16," said Lisa Ramsperger, OR public relations manager, explaining the original move to a November show. "It was obvious that the soft-good manufacturers (apparel and other accessories) wanted to be in front of the season."

Making it more confusing was when OR acquired the Snowsports Industries America show in 2018, which was traditionally held in November, and many retailers and manufacturers thought the two winter shows would be combined. Subsequently OR also moved all its shows to Denver, because of Utah's stance on public lands.

"We only went to one show; when we're in season it's hard to pull people out to attend," said Hennie Kashiwa, general manager of Boulder Nordic Sports. For the cross-country specialist "the industry is so small we have to be early so we can get anything imported into the U.S.," but overall he thinks the January event was good enough to cover his bases.

Of course, having the shows in Denver made it easier for Colorado retailers, especially when it was combined with a demo day at Copper Mountain following the show.

"I like having the one show in Denver, but I prefer having the shows in November," said Matt Burditt, the co-owner of Angles Sports Exchange in Longmont. "As a business owner I've never liked the schedule — right in the middle of season when things are so hot and I'm busy. Personally, I would prefer not to order in January."

At Outpost Sunsport in Fort Collins, owner Randy Morgan has been dealing with the ins and outs of the snow business for 47 years. He said the industry shows were constantly being moved for the convenience of the manufacturers, including moving the January show so close to the holidays that some retailers had to be traveling during what is the busiest time of year.



LUCAS HIGH/BIZWEST

Attendees visit vendors at the Outdoor Retailer summer show.

"Some of us put our foot down," said Morgan, a member of one of two major buying groups. "They just keep moving us further and further up," he said, noting one of the shows used to be in March, when retailers had a very good idea about what equipment was moving.

Dealing with the soft-goods manufacturers at this time of year is difficult, Morgan said. His wife, Nancy, is the shop's buyer for such goods and has to schedule two-hour sessions with the major dealers, because of the depth of their offerings.

Of course, that's a good reason to have two winter shows, but Morgan said that probably is not in the cards. One reason for that is no one knows what is selling yet by November, and there are always other variables, such as the weather.

On the manufacturer's side, Jonathan Degenhardt — senior marketing manager at Deuter USA, headquartered in Boulder and its sister German brand, ORTOVOX — sees a lot of both sides of the equation. While Deuter's backpacks and accessories are all hard goods that lean more to the summer show, ORTOVOX actually pioneered avalanche rescue equipment and has a growing clothing line for skiing and climbing.

Degenhardt is well aware that all manufacturers are competing for factory time, and soft-good manufacturers appear to face a steeper hill. "Every product has a different manufacturing time, but the ski and snowboard (retailers) they want to see what trends



LUCAS HIGH/BIZWEST

Outdoor Retailer has merged two of its shows.

have been selling well (before ordering for next year)."

Outdoor Retailer was thinking more of soft-good sales in setting the November event. That allowed manufacturers to get ahead of ordering times on new products, but also allowed for some early season ordering for retailers to finish filling their shelves.

"I think that was the intent," Degenhardt said. "But obviously with deadlines for manufactures getting earlier, showing up in January is kind

of a waste of time for some soft-goods manufacturers.

"But the attendance just wasn't there," he continued. "In a lot of people's minds, the OR and SIA marketplace was the same, and the OR winter market is always in January.

In the end, "it is damned if you do and damned if you don't," he said. "Until there is a solutions that hits manufacturers deadlines, supports R&D and also gets retailer buy-in, we're always going to have this problem."





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**BW** BREWING

# Hard-seltzer brewing spikes in region

By Dallas Heltzell  
news@bizwest.com

Hard seltzer was supposed to be a female-targeted drink. Gluten free, lower-alcohol, lower calorie count.

At least that's the idea Nick Shields, manager of a small beer brand in Connecticut, got in 2012 while watching five women order five vodka-sodas at a dive bar. "What if," he thought, "I could brew something as light, simple, and clear but with a moderate alcohol level? Something bubbly, refreshing, low-sugar, and with natural flavors? Something that tasted like sparkling water? It was so simple, yet it did not exist."

Late that year, in his Westport, Connecticut, garage, Shields created SpikedSeltzer, the original brand of alcoholic sparkling water. Seven years later, according to a report from Nielsen Media Research, nationwide sales of alcohol-infused seltzers have grown to nearly \$488 million in annual sales, and breweries in the Boulder Valley and Northern Colorado are joining the nationwide race to come up with their own brands and flavors.

Among the offerings on local store shelves are multiple flavors of Boulder-based Upslope Brewing's Spiked Snowmelt, Longmont-based Oskar Blues' Wild Basin and Colorado Spiked Seltzer from Windsor-based High Hops' Heart Distillery. Other area brewers, including Verboten in Loveland, Odell in Fort Collins and Soul Squared in Wellington, have their own creations on tap and are likely to jump into the retail market. Westminster Brewing Co. reopened its taproom doors on May 3 and offered a hard seltzer in prickly pear flavor.

Although more women than men are buying hard seltzers, brewers and retailers alike have been surprised by the number of men scooping up the slim 12-ounce cans of fruity bubbiness as well. One recent night in Longmont, a tall man dressed in camo strode purposefully into Hover Crossing Wine and Spirits and grabbed a box containing three different flavors of Snowmelt — Tangerine & Hops, Pomegranate & Acai, and Juniper & Lime — from a cooler. "I love to take it on camping and fishing trips," he explained. "It's light, it's refreshing, and it doesn't weigh me down."

"Sales would be maybe not quite equal, but men are drinking them," noted Jeff Matson, beer buyer for Wilbur's Total Beverage in Fort Collins. Derek Ridge, beer manager for Hazel's Beverage World in Boulder, concurred, noting that "a little more of the women are buying it, but the guys are on it, too. I'd say it's about 60/40."

Chicago-based market leader White Claw has taken note, posting



COURTESY ARMANDO GENEYRO FOR FIZZ FIGHT  
Oskar Blues copywriter Ally Levise, left, and Torrey Fields, associate marketing manager, are shown at the Fizz Fighter seltzer competition Sept. 14 in Denver. Oskar Blues' Wild Basin was competing.

testosterone-tinged slogans such as "Ain't no laws when you're drinking Claws."

That unexpectedly broad appeal is among the factors that has catapulted hard seltzers to sudden popularity that startled brewers and liquor stores alike — up to 5 percent of the total beer market, which Kyle Ingram called "a pretty insane statistic."

"We didn't fully grasp at the time how big it would be," said Ingram, vice president for marketing at CANarchy, the collective that includes Oskar Blues.

How's this for insane? Some retailers have indicated that White Claw is outselling beers such as Bud Light, Coors Light and Heineken. In early September, White Claw, owned by Mark Anthony Brands, which also owns Mike's Hard Lemonade, confirmed that the seltzer was selling so well that the brewer faced a nationwide shortage.

Ridge has watched with amazement as hard seltzers have spiked to 10 percent of Hazel's total beer sales.

"It was crazy," he said. "Last fall it started to catch on. We had it on two shelves, and all of a sudden we had to move it around and give it more space. It's still expanding. We've had to organize the whole full-wheel shelves to give it more space, more depth. Before, we had them on single shelves and now they're on the rollers. We started putting the Upslope hard seltzer with the other Upslope stuff; now we're trying to get them together so they're easier to find."

"Upslope Snowmelt is selling amazing. It's one of our top sellers behind White and Truly."

"Shelf space is the other issue, so we're adjusting things as we go."

Hazel's first experience with hard

seltzer was Truly in single bottles, nearly three years ago, Ridge said, "and we said, 'What is this stuff?' It wasn't bad, but some of these things we say, 'Aw, it isn't going to last.' Now I wish I had stock in it."

Hard seltzer has become so mainstream so quickly that on Memorial Day, runners finishing the BOLDER-Boulder marathon had the choice of a post-race beer or a can of Wild Basin. Spiked seltzers also have joined the beer fare offered at Taste of Fort Collins for the second year.

On Sept. 14, Denver hosted Fizz Fight, the first-ever festival dedicated to hard seltzer. The fizzy favorite drew a crowd of seltzer fans to pony up \$33.45 apiece to taste more than 20 varieties at the event that mimicked the Great American Beer Festival.

Oskar Blues was among the first in the region to ride the wave.

"Wild Basin was introduced in late 2018," Ingram said. "We felt like it would bring some younger drinkers into the Oskar Blues portfolio, and it was female targeted from the start. We were really targeting a January 2019 launch, and originally just in Colorado. But not only did the hard-seltzer market show positive trends, but we realized we'd recreated an amazing brand."

"We got into the market at a time where most every craft beer is coming out with its own hard seltzer, but we were the first ones to really say, 'This is from a craft brewery.' We got out there before some of the other craft breweries."

The far-and-away sales leaders are White Claw and Boston Beer Co's Truly brands, but Ingram said Oskar Blues wanted Wild Basin to be different in several ways.

"If you picked up a can of Truly, you

wouldn't find Boston Beer on the can," he said, "but we felt it was advantageous to us to be up front with the Oskar Blues branding. And look at White Claw's packaging: predominantly white in color. We wanted to take a different approach. Bright and vibrant. Different colors you see when you look at the Colorado mountains."

Wild Basin comes from those mountains, named for the drainage at the southeast corner of Rocky Mountain National Park from which springs the South St. Vrain River, Oskar Blues' water source. That water is why it's only brewed in Oskar Blues' Longmont facility, and is so important to Oskar Blues that it's donating \$1 per case of Wild Basin to its charity partner, the Can'd Aid Foundation, to support initiatives that preserve the river as well as river and beach cleanups around the country.

Another difference from White Claw, Ingram said, is that Wild Basin is sugar fermented, not malt-based.

"We experimented with a lot of other processes. Sugar turned out to be a cleaner, high-quality taste. The resulting product has zero grams of sugar because it ferments out, so we were happier with the nutritional profile."

That process posed challenges, though, Ingram said. "Working with that much sugar brings in potential contaminants that can infiltrate the brewery. So it's work getting that clarity, making sure our flavors aren't too overpowering. It's definitely an art to make this product."

"We were also drawn to flavor combinations, many ingredients that are a little unexpected, a little more adventurous" with flavors such as lemon agave hibiscus, cucumber peach and the black raspberry version it introduced this summer.

"Innovation is how we got here, and we're going to continue to innovate," Ingram said.

In Windsor, High Hops Brewing's Heart Distillery uses its craft vodka as a base, plus Rocky Mountain water, real fruit and a touch of organic cane sugar. Its Colorado Spiked Seltzer currently is available in cans with flavors such as organic lemon, tangerine and key lime. High Hops' marketing encourages imbibers to either "drink it right from the can as a hard seltzer or use it as a mixer to make a delicious cocktail."

The brand is available on draft in High Hops' tasting room, as well as in six-packs there and throughout Colorado. The brewer plans to introduce flavor variety packs in November.

Although Odell's current focus remains on creating a winery, said Alex Kayne, its director of marketing, seltzers have sparked interest because



“we’ve made a commitment to explore gluten-free options so we have beverages available that all folks can enjoy. We are out here to build community.

“We have one line in our brewery dedicated to being gluten-free — seltzer or beer,” Kayne said. In Odell’s tap room, “we don’t have a seltzer out all the time; otherwise, it’s a gluten-free beer.”

Odell introduced its third hard seltzer, Eddy Mule, in June. Its first was a lemon-lime flavor it called Zest last November, just as Verboten was coming out with its own brand.

“One of our key tenets is creativity,” said Verboten’s co-owner, Angie Grenz, “so last fall, what we just wanted to do was something that might be new or different. We started thinking about hard seltzer, so we first reached out to the Colorado Brewers Guild because we were pretty sure it was OK to do it under our license but we were trying to be sure. They said we were the first to ask them that and got back and said yes.”

Verboten started by offering in its taproom a mojito-inspired hard seltzer collaboration with Kure’s non-alcoholic ginger beer.

“The first batch didn’t sell that fast and sat around awhile,” Grenz admitted. “We thought the holidays would be the most popular time for it, but it wasn’t. It was a slow mover at first, but we still wanted a great option for anybody on a keto diet, who wanted low carb, low sugar, or just people who



DALLAS HELTZELL / FOR BIZWEST

Skippy Dip from New Belgium, pictured on sale at Wilbur’s Total Beverage World in Fort Collins.

came in with their significant other who was drinking beer and we didn’t have anything to offer them.”

By May, she said, “all of a sudden, wildfire! Verboten’s hard seltzer “skyrocketed in popularity. Since then, we got requests a lot. We sold them out to our restaurants and bars too — and yes, surprisingly, a lot of men were buying them. We’ve even been contacted by several magazines to be interviewed, so that’s awesome.

“Beer’s a little heavy, so for the summertime it’s a great option. You can have two or three and still function. Beer’s lowest ABV is 5 percent to 6½ or 7, whereas seltzers are 4½ to 5 percent.”

Next up, she said, is to sell it in cans. “We’re getting the labels printed up right now,” she said, and we’re looking at early to mid-November for a release date. It’s a black cherry flavor we’re calling Forbidden Water. Water-

melon’s our most popular flavor, and that’ll come out next summer.”

Grenz said supplies might be limited at first, however.

“Several breweries canned them faster than we can do. It’s difficult getting tank space. It’s faster to brew but just as long a fermenter for us. It still ties up the tanks, so getting it into our cycle and getting them canned takes longer.”

Clarity isn’t as important as flavor, she said. “We use all-natural fruit purees, not like an extracted fruit flavor. So it’s not always crystal clear, but we appreciate the better aroma we’re getting.

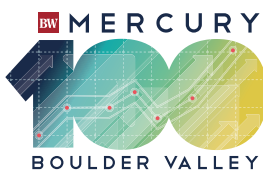
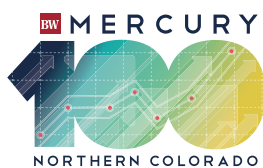
“What we put on our cans is ‘Prepared without gluten.’ There’s no preservatives. Ours is just purified carbonated water, dextrose, natural flavor and yeast.”

What’s next for the burgeoning hard-seltzer industry?

“We’re just watching the trends, looking at data, trying to understand where consumers are going, how they’re living their lives,” said CANarchy’s Ingram. “There’s a lot of people getting in now, but at some point there’ll be some attrition.”

But in Colorado, perhaps the next phase is inevitable: cannabis. Longmont-based Left Hand Brewing in August started canning CBD-infused Present sparkling water in three places. It’s a collaboration with Berthoud-based WAAYB Organics, which operates a hemp farm.

# BW EVENTS



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TIME OUT



COURTESY MCKEE FOUNDATION

The McKee Wellness Foundation recently celebrated volunteers of the year for 2018, who helped the foundation distribute what amounts to \$2,000 a day for all 365 days of the year. The foundation distributed more than \$730,000 in 2018 to support patients, community, education and clinical innovation in partnership with Banner Health. Pictured are, front row, Erin Beverage, Beah Lovins, Teri Sailor, Karrina Befus and Tess Baker. Pictured in the back row are Diana Precht, Allis Gilbert, Laura Whitney and Chris Fine.



COURTESY GREELEY SCHOOLS

Growing Great Schools, an advocacy group supporting Greeley-Evans School District 6, officially kicked off its Yes on 4C campaign in mid-September in the parking lot of FMS Bank in Greeley, adjacent to Greeley West High School. The bond issue would raise \$395 million for the replacement of two schools, including Greeley West, a new K-8 school, renovations to two K-8 schools to address overcrowding, learning spaces for career and technical education and repairs. A facility needs study identified \$1 billion in building needs, repairs, renovations and additional classrooms to accommodate growth. The issue will be on the Nov. 5 ballot. Pictured is Dr. Deirdre Pilch, superintendent of schools for Greeley-Evans School District 6, kicking off the campaign.

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**Longmont Event**

**Monday, October 7** | 11:30 a.m. – 1:00 p.m.  
 Front Range Community College Community Room | 2121 Miller Drive, Longmont  
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**Boulder Event**

**Tuesday, October 15** | 11:30 a.m. – 1:00 p.m.  
 Boulder Jewish Community Center (JCC) | 6007 Oregon Avenue, Boulder  
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## BRIEF CASE

### BRIEFS

The **Colorado Department of Transportation** received a \$6.97 million boost for the federal government to help improve a four-lane, 14-mile section of Interstate 25 between Loveland and Fort Collins through Larimer County. Key features include tolled express lanes with ITS technology; replacement of two bridges; safety, structural, and multi-modal improvements, including bike-pedestrian access under the interstate; bus-only slip ramps; and a regional trail connection. The state sought a \$25 million Transportation Investment Generating Economic Recovery grant in 2016. The U.S. Department of Transportation initially chipped in \$15 million, which “was enough for us to get the project started,” CDOT spokesman Jared Fiel said. When there were some unused funds left in the DOT’s TIGER grant coffers, CDOT reached back out and was given an additional grant of nearly \$7 million.

The **Poudre Valley Rural Electric Association** will rebate \$3.2 million to its members in Boulder, Larimer and Weld counties. More than 40,000 homes and businesses in Northern Colorado will see money returned to them. The PVREA board’s decision brings rebates to a total of more than \$30 million in the past 10 years. The local electric co-op is paying cash out to almost 30,000 members of the co-op, along with more than 12,900 credits to inactive members who previously used PVREA for their electric provider.

### CLOSING

**Steps Real Estate International LLC**, a Boulder-based real estate firm, is liquidating in a Chapter 7 bankruptcy after migrating its branding and agents to a new brokerage. According to filings in U.S. Bankruptcy Court of Colorado, Steps declared \$820 in expected accounts receivable and \$880,995 in debts, the vast majority coming from the \$625,000 remaining on a lease for its 2500 Arapahoe Ave. offices. The company declared gross income of \$111,368 since the start of the year. It reported revenues of \$244,150 in 2018 and \$118,140 the year prior. Steps had offices in Lakewood and Longmont and has active listings across the Front Range.

**Move Sport Inc.**, a Boulder-based sportswear-manufacturing company that does business as **RecoFit Compression Gear**, is shutting down after 11 years so owner **Susan Eastman Walton** can focus on her career as a real estate agent at **Live West Realty**. The company is liquidating inventory at reduced prices at recofit.co.

The **Downtown Artery** in Fort Collins will close its music venue and cafe on Nov. 1. The property in which the facility is located was recently sold, and operators of the Artery decided to consolidate operations into one of the floors currently used.

**Comcast Corp.** (Nasdaq: CMCSA) will not renew

its lease on its 80,000-square-foot Harmony Road call-center campus in Fort Collins, leaving up to 237 workers uncertain about the future of their jobs. The company is transitioning its workforce model to a “virtual work option” system that allows employees to work from home or elsewhere. Employees based at the property had until Sept. 21 to stay with Comcast and move into the virtual workforce system, request a transfer to another physical location or leave the company.

Broomfield-based **DMC Global Inc.** (Nasdaq: BOOM) plans to close its oilfield products manufacturing plant in Tyumen, Siberia, this year, resulting in the loss of 47 jobs. The closure of the plant, which has operated since 2011, is a result of recently completed expansions of the company’s **DynaEnergetics** oilfield product facilities in North America and Germany. DMC Global expects to record \$15 million to \$20 million in non-cash charges during the second half of 2019 as a result of the Siberian plant closure.

Boulder-based **Lucky’s Market** planned to close a store in Decatur, Alabama, whose lease wasn’t renewed.

### COURTS

**nSpire Health Inc.**, a developer of respiratory medical devices and software for respiratory information systems that filed for Chapter 11 bankruptcy protection in April, agreed to repay a portion of the money owed to its largest creditor. nSpire, which was formed in late 2006 in Louisville and moved to Longmont in 2007, entered into a loan and security agreement with Denver-based **Montage Capital LP** in June 2018, under which nSpire received an initial advance of \$1.65 million, according to court documents filed by nSpire’s attorneys. According to documents filed earlier this month in U.S. Bankruptcy Court for the District of Colorado, nSpire and Montage “negotiated a consensual resolution” that pays Montage a total of \$640,000 by Oct. 31. An initial \$340,000 payment has been made, according to a stipulation. The court issued an Oct. 4 deadline for objections to the agreement between Montage and nSpire.

A Colorado shareholder is suing to stop **VMWare Inc.’s** (NYSE: VMW) \$2.1 billion bid to buy IT security firm **Carbon Black Inc.** (Nasdaq: CBLK). According to the suit filed in U.S. District Court of Colorado, shareholder Daniel Frey alleges that Carbon Black failed to provide multiple details it used in valuing itself when it solicited its shareholders to tender their holdings to VMware at \$26 per share. The suit also argues that Morgan Stanley & Co. LLC, Carbon Black’s financial adviser on the deal, failed to make key conflict-of-interest disclosures because it previously advised Dell Technologies Inc. (NYSE: DELL) on other deals. Dell is VMware’s majority shareholder. Carbon Black is based in Waltham, Mass., but opened an office on Boulder’s Pearl Street Mall last year that houses about 120 employees.

**Stratus Redtail Ranch LLC**, a company operated by real estate developer Richard Dean, is suing **IBM Corp.** (NYSE: IBM) for allegedly improperly disposing of hazardous waste in Erie, which has resulted in a costly cleanup and development delays for Dean’s residential housing project. Also named as a defendant in the suit is **WWD LLC**, the prior owner of the roughly 300-acre Redtail property just southeast of Erie. WWD is a holding company formed in 1992 by Ken Pratt — and upon his death passed to wife Susan Pratt — to manage the Redtail plot. The Pratt family is a major Longmont property owner and developer.

Boulder-based digital-marketing and advertising firm **IMM LLC** sued Calgary, Alberta-based fitness-application developer **Plankk Technologies Inc.**, alleging that the company failed to pay for services rendered. IMM entered into a contract with Plankk in December, which at the time was doing business as Global Fitness Creative Inc., for “analytics services, casual attribution services, analytic software components, tracking technology, and support such as data storage, data reprocessing, and software updates, as well as other services,” according to a complaint filed in U.S. District Court in Denver. According to the contract, which was allegedly signed by Plankk founder Colin Szopa, payment was to be provided within 15 days of the services rendered, court documents show. When IMM attempted to collect payment for those services, “Plankk has gone silent, apparently believing that its contractual obligations will cease if it ignores IMM for long enough,” the suit alleges.

A Canadian cattle broker and its Fort Collins subsidiary are taking their beef with a Utah rancher to court. According to a lawsuit transferred into the U.S. District Court of Colorado, **Titan Livestock Inc.** signed multiple agreements with Utah-based **Corey Cattle Co. LLC** during 2017 to purchase 2,288 head of Angus-Wagyu crossbred cattle. Titan paid Corey to care for the cattle until they reached a certain weight under the deal, at which point Corey would buy the cattle back. Titan Livestock is based in Edmonton, Alberta, but maintains an office in Fort Collins under the name Titan Breeding LLC. The suit alleges that Corey sold at least 858 of those cattle and pocketed the proceeds, valued at more than \$1.9 million, while charging Titan for feed that never made it to those cows’ troughs. Titan also claims Michael Corey, Corey Cattle Co.’s owner, admitted the cattle were gone and had “severe financial problems.” Titan is demanding Corey pay the total cost of the stolen cattle and damages multiplied by three. Kirk Mueller, a Denver attorney listed as Corey’s counsel, told BizWest his client “strongly disagrees with the accusations and looks forward to refuting the allegations in the complaint.”

Florida resident **Fred Nekouee** has filed more than two dozen lawsuits in the past year, accusing Boul-

der Valley area businesses of violating the Americans with Disabilities Act. Of the 29 Colorado cases in which Nekouee is the plaintiff, 17 have been closed in 2019. Many of those closed cases have been settled for undisclosed sums. The suits target local restaurants, hotels, banks, grocery stores and other retailers. Defendants include **Cimmaron Holdings LLC**, which operates a **Taco Bell** in Longmont; **Premier Hospitality Inc.**, owner of a Longmont **Econo Lodge** and commercial real estate developer and landlord **Stephen Tebo**. Nekouee regularly travels to the Longmont area to vacation or to attend heavy-equipment auctions with his brother, according to legal filings. He “has progressive multiple sclerosis, weak limbs, and requires the use of a wheelchair for mobility,” court documents show.

The **U.S. Equal Employment Opportunity Commission** is suing **Carefree/Scott Fetzer Co.** for refusing to hire a deaf worker at its Broomfield factory. According to the complaint filed in the U.S. District Court of Colorado, the EEOC alleges Carefree refused to hire a deaf applicant for a job in its RV awning factory in 2016 despite her having the prerequisite experience in warehouse work. Carefree hiring managers allegedly told the applicant and a contractor with the Colorado Division of Vocational Rehabilitation they had safety concerns over having a deaf worker being near heavy machinery, but didn’t attempt to provide reasonable accommodation, the suit claims. The EEOC also said Carefree hired several other less qualified applicants without disabilities instead, including a former felon who the company later fired for timecard fraud.

**Gregory Scott Bickle** faces theft charges after being accused of stealing items from homes in which he was performing radon mitigation. The man may face charges in both Boulder and Weld counties as a result of the allegations.

**Mile High Labs Inc.**, a wholesale CBD company supplier, is suing a client it alleges stiffed the firm on a \$825,000 bill. The suit, filed last week in U.S. District Court, claims **Warrender Enterprise Inc.**, an Illinois-based CBD-infused product manufacturer that does business as **Lifted Liquids**, ordered and received 150 kilograms of extracted CBD isolate in March. “Lifted Liquids has not paid and refuses to pay Mile High for the product,” according to court documents filed by Mile High. In court filings, it claims Lifted Liquids, which is led by chief executive Nicholas Warrender, agreed to pay for the CBD isolate upon receipt of the goods.

### CONTRACTS

**Clovis Oncology Inc.** (Nasdaq: CLVS) will spend at least \$12 million to license a German cancer-therapy candidate for clinical trials. The Boulder cancer drugmaker said it reached terms with **3B Pharma-**

Please see **Briefcase**, page 48

## NONPROFIT NETWORK

### BRIEFS

#### NoCo groups finalists for community awards

**Fort Collins Cat Rescue & Spay/Neuter Clinic** and Loveland’s **Hearts & Horses** joined Greeley-based **Life Stories Child and Family Advocacy Center Sexual Assault Victim Advocacy Center** as local finalists for First National Bank of Omaha’s 2019 Community First Awards. The winning organization receives a \$25,000 award, while the second and third-place finishers receive \$10,000 and \$5,000 respectively. Winners will be announced in October. In the Boulder Valley and Northern Colorado, First National operates branches in Fort Collins, Boulder, Greeley, Loveland, Longmont and Broomfield.

### FUNDRAISERS

#### CSU, C.B. & Potts create IPA to benefit brewing program

**Colorado State University** students and the brewers at **C.B. & Potts Brewery** formulated a new India Pale Ale to celebrate the university’s 150th anniversary. **Great Wet IPA** 6.2 percent was created in collaboration with seniors in CSU’s fermentation science and technology program. **Celastrina LLC**, a Fort Collins-based hop producer, also was involved. A tapping party was held to kick off a fundraising ini-

tiative for the brewing program with \$1 from every pint sold to be donated back to the CSU program. The new IPA also will be on tap for a limited time at C.B. & Potts Foothills Mall and Collindale Golf Course locations in Fort Collins. Great Wet IPA is a pineapple mango Wet Hop Milkshake IPA, brewed with locally sourced hops from Celastrina, malt from **Root Shoot Malting** in Loveland and fresh purees from **Source of Nature** in Wellington. Its logo depicts the iconic great white shark that hangs at Potts’ Foothills location.

#### Crossroads Safehouse to host fundraiser

Crossroads Safehouse, based in Fort Collins, will host its inaugural Prohibition Party from 6 to 10 p.m. Oct. 19 at the Fort Collins Hilton to raise money for the Safehouse and its mission to “prohibit” domestic violence. Tickets are \$75 per person and can be purchased at [crossroadssafehouse.org/prohibition-party/](http://crossroadssafehouse.org/prohibition-party/). Guests are encouraged to dress in 1920s costume. The event will include food, drinks and dancing to the big band stylings of Bianca Flyboys. Free dance lessons will be available, as well as professional dancers to show off their skills.

### GRANTS

#### Wana, Native Roots pledge

#### up to \$20K to local nonprofits

Wana Brands, a Boulder cannabis company with a focus on edible products, is partnering with Denver-based dispensary chain Native Roots Cannabis Co. to support a pair of local nonprofit organizations. The companies have pledged up to \$10,000 each to Lakewood-based Chanda Plan Foundation, which supports people with disabilities, and Boulder-based homelessness resource provider Bridge House. The donations will come from a portion of the proceeds of Wana Sour Gummies purchased at Native Roots locations. Wana Brands is a trade name for Mountain High Products LLC.

#### Jobs program receives \$75K NSF grant

The **National Science Foundation** granted \$75,000 to Fort Collins-based **jobZology’s PathwayU** as the **Career Compass Challenge Part 2** winner. The Career Compass Challenge launched last November as part of an effort to modernize the American workforce. The challenge addressed not only the changing nature of work but also the pace of change to the types of work needed to carry out essential missions for Americans and create the workforce for the 21st century. Judges representing multiple federal government agencies selected PathwayU because it best addressed the changing nature of work.

PathwayU enables individuals to both identify optimal career paths and focus their retraining efforts. The team will use the money to continue research and software development. PathwayU is a career-guidance software that uses predictive analytics to help individuals identify education, career and employment pathways.

#### Next round of Give Next begins with gathering

More than 500 Larimer County middle and high school students, along with 45 nonprofit organizations, were to gather Oct. 1 at Colorado State University’s Lory Student Center to kick off this year’s Give Next program. Give Next is a year-long philanthropic program designed to teach students the importance of charitable giving. Through the program, businesses, foundations and individuals become classroom donors by providing each participating school with \$5,000 to award to Larimer County nonprofits. With those dollars, students design and manage their own grant-making programs. Students work together to identify community needs, choose a focus area, create their own mission statement, research nonprofits, volunteer, conduct site visits, review grant applications and make funding decisions. At the end of the school year, students award grants to their selected nonprofits.



## BRIEF CASE

### Briefcase, from 47

**ceuticals GmbH** for a radioactive drug that targets fibroblast activation protein alpha, a type of protein commonly found in certain types of cancer growths, but not in healthy tissue. Clovis will run clinical trials for market approval in markets outside of Europe, and would have the rights to sell the therapy if approved for use.

**Advanced Energy Industries Inc.** (Nasdaq: AEIS) partnered with **Colorado State University** to investigate the application of advanced control techniques to emerging process power applications. The one-year program could enable the manufacture of higher-performance semiconductors while having broad impact on application flexibility of existing process power architectures, the company said. Advanced Energy provides highly engineered, precision-power-conversion, measurement and control solutions.

**Advanced Space LLC** landed a \$13.7 million contract with **NASA** to build a satellite to scout an orbit

of the moon in preparation for the agency's "Gateway" mission. Advanced Space will send a satellite the size of a microwave into the moon's orbit to determine how fast it moves in comparison to other satellites. By determining that path, NASA will figure out where to position the Gateway, a planned stopoff point for astronauts as they head off to the moon's surface. NASA plans to land astronauts on the moon by 2024, 55 years after Neil Armstrong and Buzz Aldrin first stepped on the lunar body. The Advanced Space mission could launch as soon as December 2020. NASA also tapped Westminster-based **Maxar Technologies Inc.** (NYSE: MAXR) to run a space-flight demonstration project for the Gateway project this May.

The **U.S. Department of Defense** awarded a \$2.6 million contract to the **Southwest Research Institute** in Boulder, which will devise a system to use data from satellites for military purposes.

**TRU Community Care** and **The Conversation**

**Project**, two organizations that provide end-of-life resources to people in Boulder County, are joining forces to provide information to people before serious or terminal illnesses are involved. TRU will build on the work of The Conversation Project and help community members, palliative care and hospice patients, and PACE participants begin to have conversations while they are still able.

**BizWest** and Greeley-based **KUNC-FM 91.5** public radio began a collaborative news-gathering effort. BizWest will be one of multiple Northern Colorado news organizations to contribute to KUNC's Colorado Edition broadcast each week. Colorado Edition, KUNC's daily news show, airs at 6:30 p.m. and focuses on Colorado news and events. Each Wednesday, BizWest editors and reporters will contribute to the Colorado Edition report.

**Xcel Energy Inc.** plans to complete the Cheyenne Ridge Wind Project in eastern Colorado by the end of 2020. The massive project will cover 100,000

acres and use 229 **Vestas** wind turbines. It will cost about \$743 million. The utility has engaged **M.A. Mortenson Co.**, which does business as **Mortenson Construction**, to build the project, according to an announcement from Xcel and Mortenson late last week. The 500-megawatt wind project will be the second-largest single-phase wind project in the state. Vestas Wind Systems, with operations at Windsor, Brighton and Pueblo, will be supplying 225-V120 turbines and 25-V110 turbines.

Broomfield-based **SCL Health Inc.** hospital system partnered with **Strata Oncology Inc.** to give Colorado and Montana patients access to Strata's cancer care platform. Eligible cancer patients will have access to routine tumor molecular profiling, rapid interpretation of test results and the ability to participate in local precision therapy clinical trials.

### EARNINGS

A month after **DMC Global Inc.** (Nasdaq: BOOM) Please see **Briefcase**, page 49



BizWest photo/Dan Mika



## Bankers keep an eye on economic uncertainty

Participants in BizWest's Banking CEO Roundtable. From left to right: **Aaron Eide**, Flood and Peterson; **Nicole Staudinger**, FirstBank; **Chris Otto**, Plante Moran; **Bryan Watkins**, Elevations Credit Union; **Greg Harrell**, Adams Bank & Trust; **Larry Costello**, Community Banks of Colorado; **Luis Ramirez**, BBVA Compass Bank; **Nathan Ewert**, First National Bank; **Mark Kross**, Verus Bank of Commerce; **Owen Ronk**, Plante Moran; **Mark Brase**, Points West Community Bank; **Mike Martin**, Blue Federal Credit Union; **Dave Besch**, Waypoint Bank; **Tom Behr**, First Western Trust Bank; **Gerry Agnes**, Elevations Credit Union; **Cody Fullmer**, Bank of Colorado; **Kristi Benningsdorf**, Great Western Bank

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For more information about the CEO Roundtable contact Jeff Nuttall at 970-232-3131 or [jnuttall@bizwest.com](mailto:jnuttall@bizwest.com)



BizWest photo/Dan Mika



## Boulder Valley health-care executives fret over mental-health reimbursement

Participants in BizWest's Boulder Valley Health Care roundtable. From left to right: **Matt Evelyn**, GBS Benefits, **Andrew Ritz**, Longmont United Hospital, **Hans Wiik**, Mental Health Partners, **Heidi Potter** and **Jared Crain**, **Berg Hill** Greenleaf Ruscitti, **Robert Vissers**, Boulder Community Health, **Craig Beyer**, Boulder Eye/Beyer Lasik, **Kendra Johnson**, Flood and Peterson, **Jennifer Alderfer**, Good Samaritan Medical Center, **Clint Flanagan**, Nextera Healthcare, **Judy Ladd**, Boulder Valley Medical Society, **Lacey Blake-Lindh**, **Cathy Higgins**, BoulderCentre for Orthopedics, **Kelly Wright**, Community Banks of Colorado

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For more information about the CEO Roundtable contact Jeff Nuttall at 970-232-3131 or [jnuttall@bizwest.com](mailto:jnuttall@bizwest.com)



## BRIEFCASE

### Briefcase, from 48

posted a record \$110 million in quarterly sales, the company increased its annual cash dividend to 50 cents per share from 8 cents. DMC Global reduced its dividend in 2015 following the downturn in the oil and gas industry.

**Vestas Wind Systems**, the top manufacturer of wind generators in the world, maintained its market position even as orders for wind systems reached record numbers in the second quarter of 2019. Vestas has operations in Windsor, Brighton and Pueblo in Colorado.

Quoting research group Wood Mackenzie, the trade publication website Foundry-Planet.com reported that orders were up 111 percent over the same quarter the year prior. Factors at play included Chinese orders, U.S. orders and the growing offshore wind segment.

Year-over-year revenues dropped by \$24.5 million for **Zayo Group Holdings Inc.** (NYSE: ZAYO), but the company's profits increased over the same period. The Boulder IT infrastructure company posted \$2.578 billion in sales for the 2019 fiscal year ending June 30 compared with \$2.602 billion in the previous year, according to its yearly report filed with the U.S. Securities and Exchange Commission. However, it posted \$150 million in profits, a \$47.1 million increase from last year, mostly from lower operation costs and depreciation.

### EVENTS

The **Colorado Small Business Development Center** will host the fourth **annual Northern Colorado Women's Conference** on Oct. 3, at the Ranch Events Complex in Loveland. The conference runs from 7:30 a.m. to 6 p.m. and offers breakout sessions, keynote speakers, one-on-one counseling and networking opportunities. Beryl Stafford, owner of Bobo Oat Bars, will provide the lunchtime keynote address. Betsy Markey, executive director of the Colorado Office of Economic Development and International Trade, will open the day with an address. The cost of the event is \$75 for attendees and \$350 for exhibitors. Tickets may be purchased at [coloradosbdc.org/what-we-do/events/wc/](http://coloradosbdc.org/what-we-do/events/wc/)

Two icons of commercial and residential real estate will keynote the **Boulder Valley Real Estate Conference**, scheduled for Nov. 21 in Boulder. Marcel Arsenault, founder and chief executive of **Real Capital Solutions**, and Steve Murray, president of **Real Trends**, will keynote the all-day event, to be held at the Embassy Suites in Boulder. Arsenault's Real Capital Solutions is a Louisville-based private equity firm specializing in value-added real estate investment.

### KUDOS

A pair of local urban-design and architecture firms were recognized at the **AIA Colorado Design & Honor Awards** held in Denver. Boulder's **HMH Architecture & Interiors PC** won an Award of Distinction for its Modern Stair project in Denver. **Au Workshop LLC**, which styles the firm's name as [au] workshop, also took home an Award of Distinction for its Poudre Garage mixed-use development in Fort Collins.

The first Northern Colorado group to be part of the **CiviCO Leadership Academy**, a statewide cross-sector, cross-region program designed to build leadership bridges in the state, includes **Darin Atteberry**, Fort Collins city manager; **Chris Banks**, chief financial officer and co-owner of Odell Brewing Co. Inc.; **Ray Caraway**, president, Community Foundation of Northern Colorado; **Chase Christensen**, broker, Cushman & Wakefield; **John Dellenbach**, executive manager, Dellenbach Motors; **Jennifer Guerriero**, chief executive of Light Center Inc.; **Ann Hutchison**, executive vice president, Fort Collins Area Chamber of Commerce; **Douglas Johnson**, chair, TIGER21; **Mindy McCloughan**, CEO and president, Loveland Chamber of Commerce; **Kevin Mullin**, executive director, Estes Park Health Foundation; **Roy Otto**, Greeley city manager; **Brent Porter**, construction manager, Nutrien Ag Solutions; **Michelle Provaznik**, executive director, Gardens on Spring Creek; **Kim Tobin**, vice president, Colorado State University; and **Cheryl Zimlich**, executive director, Bohemian Foundation. Participants will be involved in a nine-month program that combines a digital curriculum offered by McKinsey and Co., one-on-one executive coaching and personal development planning with BetterUp, and hands-on training led by CiviCO.

**Fort Collins** and **Boulder** are ranked among the most educated in the country, according to a study from **GoBankingRates**. The information from U.S. Census Bureau data indicates that Fort Collins cracked the top 10 list.

Historic Hotels of America, an arm of the National Trust for Historic Preservation, named Boulder's **Hotel Boulderado** a finalist for its **2019 Awards of Excellence**. Hotel Boulderado, built in 1909, was nominated in the Best Historic Hotel (76-200 guest-rooms) category. Boulderado's **Laurel McKown** was also named a finalist for Hotel Historian of the year. Winners will be announced at the 2019 Historic Hotels Annual Awards of Excellence and Gala Dinner set for Nov. 7 in Pinehurst, North Carolina.

The Boulder Chamber Thursday honored six women Sept. 5 at its 24th annual **Women Who Light the Community** event at the Jewish Community Center. The event, organized by the **Boulder Chamber Business Women's Leadership Group**, recognizes women who have made "significant contributions through innovations and a committed effort to address a meaningful business or nonprofit, arts or community need, locally, regionally, nationally, or globally," according to the Chamber's website.

**Frank Vaught**, **Joe Frye** and **Justin Larson** of **Vaught Frye Larson Aronson Architects Inc.** are to be inducted into the **Fort Collins Urban Design Awards Hall of Fame** on Oct. 3. The Hall of Fame recognizes people and businesses for "their continuing and significant contribution to enhancing the urban design of the community," according to the city. Also to be honored are **Ginger and Baker**, **The Elizabeth Hotel**, **Union Bar and Soda Fountain**, **The Exchange**, **Utilities Administration Building**, **Old Firehouse and West Mountain Alley enhancements**, **Twin Silo Park**, **Poudre Mulberry Bridge**, **the West Central Area Plan**, **Ringfall** and the **Pavilion at West Laurel Village**.

Thirty-four current and emerging leaders were selected to participate in the 2019-2020 **Leadership Fort Collins**. A program of the Fort Collins Area Chamber of Commerce, it educates and motivates leaders who are committed to shaping the future of the community. Classes began Sept. 12 and include eight program sessions that run through May 2020.

**Jeannie Craft** received the first **Community Impact Award** from the **Downtown Club of Fort Collins** on Sept. 27. The club implemented the new award program this year to recognize an individual who has committed much of her time and talent to volunteering for a local nonprofit. A retired Poudre School District teacher, Craft spent one year at Bauder Elementary and 27 years at Irish Elementary. She currently devotes her time to Project Smile as operations coordinator.

**Mark Solomon**, a real estate agent with **Keller Williams Inc.**, was named one of 10 nationwide finalists for the **National Association of Realtors' 2019 Good Neighbor Awards**. Solomon was recognized for his work developing the **Veterans Community Project**, a tiny home community designed to house homeless military veterans. The project was launched in Kansas City and is being expanded to Longmont. Of the 10 finalists, five winners will be selected this month and will each receive a \$10,000 grant.

Boulder-based software development firm **Techtonic Group Inc.** is now a certified B Corporation. B Corporations are for-profit entities that have committed to upholding standards of social and environmental performance, accountability and transparency.

### MERGERS AND ACQUISITIONS

**Advanced Energy Industries Inc.** (Nasdaq: AEIS) closed its \$400 million acquisition of **Artesyn Embedded Technologies Inc.** The Fort Collins-based producer of power supplies said the combined company can produce more than \$1.3 billion in revenues.

**Mistras Group** (NYSE: MG), a provider of asset-protection solutions for the energy industry, entered into a pact to buy Fort Collins-based **New Century Software Inc.** Terms of the deal for New Century, which provides software solutions to oil and gas firms, were not disclosed.

**Medicine Man Technologies Inc.** (OTCQX: MDCL), a Denver-based cannabis firm, entered into an

agreement to buy five **Starbuds** dispensary locations for more than \$31 million. The Starbuds dispensaries included in the acquisition are located in Louisville, Longmont, Niwot, Pueblo and Commerce City. Medicine Man operates an existing Longmont dispensary, which opened earlier this year. Under the acquisition agreement, Medicine Man's \$31,005,089 payment to Starbuds will consist of \$15,502,544.50 in cash, the issuance of 2,601,098 shares of its common stock at a price of \$2.98 per share, and a deferred cash payment of \$7,751,272.25.

Downtown Loveland business **The Quick-Print Shop**, operated by the same family since 1961, has sold. Kim Bernhardt, who bought the business from her father Bus Tarbox, sold the business to **Allegra Marketing Print Mail**, owned in this area by Joe Mullan.

Boulder's **Voyant Communications LLC**, a cloud-based voice and text communications software platform, acquired **Acrobix**, a Prague, Czech Republic-headquartered mobile communications applications developer.

**Elevations Credit Union** intends to acquire the assets of Greeley-based community financial institution **Cache Bank & Trust**. CBT, which operates in Greeley, Fort Collins and Denver, has nearly \$122 million in total assets and nearly \$108 million in deposits, according to data from the Federal Deposit Insurance Corp. The acquisition, expected to close in the first quarter of 2020, will result in a combined organization with \$2.2 billion in assets and 141,700 members.

**Brickell Biotech Inc.** (Nasdaq: BBI) completed its reverse stock split and merger with San Diego-based **Vical Inc.**, allowing it to list on the Nasdaq exchange. The Boulder pharmaceutical company will eschew Vical's gene-therapy focus and use its resources to work solely on therapies for skin conditions.

Retirement fund giant **The Vanguard Group Inc.** increased its stake in **Clovis Oncology Inc.** (Nasdaq: CLVS) to become its largest institutional shareholder. Pennsylvania-based Vanguard bought 986,547 shares of the Boulder oncology company Aug. 30 to bring its overall holdings to 5,567,857. That figure gives Vanguard a 10.12 percent stake in Clovis, leapfrogging the second-largest position of 10.06 percent ownership held by Boston-based State Street Corp. (NYSE: STT). State Street took that position in July, shortly before Clovis reported weaker-than-expected earnings and launched a \$225 million private fundraiser that drove the company's stock to an all-time low of \$4.98 per share.

**The Hershey Co.** (NYSE: HSY) closed its \$397 million takeover effort of Boulder-based **One Brands LLC**. The chocolate giant originally announced the acquisition in late August, as part of a portfolio expansion into nutritional bars. One Brands is the maker of One Bars. One Brands also has offices in Raleigh, North Carolina. Hershey said it plans to expand One Bar's reach through additional sales and distribution both in stores and online.

### MOVES

**Dale's Pharmacy** is breaking ground on a new \$3 million building to replace its current Fort Lupton site. The local pharmacy, registered with the Colorado Secretary of State as **Caring Hands Pharmacy Inc.**, is being built by **McCauley Constructors Inc.** The new building, located at the intersection of Rollie Avenue and First Street, will be 10,038 square feet.

The **CU Center for Midwifery** is centralizing its operations into **Longmont United Hospital** to meet demand for midwife-supported births. The center closed its offices in Firestone and its former location in Longmont, and will base out of Longmont United's **The BirthPlace** wing.

### OPENING

**Storh Global LLC**, a Houston-based energy investment firm funding several energy plays by selling equity and smart contracts via blockchain, opened a Longmont office.

**Banner Health** will spend \$7.9 million to expand its cancer ward at **McKee Medical Center**. The expansion will add more exam rooms, install an in-ward pharmacy and split up the current chemotherapy area into smaller, more private spaces. The center will grow from its 4,261 square feet, but the final fig-

ure hasn't been set. Construction is set to begin in early 2020.

**Green Spoon Inc.**, a Boulder-based natural and organic foods brand brokerage, opened a trio of new West Coast divisions, expanding the company's footprint nationwide. The firm, which helps match food brands with retailers, currently has about 75 employees across the country now, with 15 of those in the Boulder headquarters.

**Yasso Inc.**, maker of **Yasso Frozen Greek Yogurt bars**, will move its headquarters 2,000 miles to the west from the firm's current home in Quincy, Massachusetts, to a new space in downtown Boulder. Half of the roughly 35-member team already is in Boulder in temporary office space, and the rest of the workforce will move to the new, approximately 10,000-square-foot headquarters at 1050 Walnut St. between now and early 2020. Over the next two years, Yasso plans to double its workforce.

Hungry Boulderites soon will be able to sample cuisine from 10 local, independent chefs under a single roof. **Rosetta Hall**, a European-style food hall operated by the owners of the Boulder Theater and the Rembrandt Yard art gallery and event space, is set to open early this month at the former Pop-Up Bar. In addition to a rooftop bar, the hall will feature the following chefs and restaurants: **Modou Jaiteh**, **Jacランダ**; **Julia Wirichs**, **Petite Fleur**; **Dustin Brandt**, **Confit**; **Justin Brunson**, **Folsom Foods**; **Aaron Lande**, **Ancient Grants**; **Natascha Hess**, **The Ginger Pig**; **Alberto Sabbadini**, **La Tigella**; **Joe Lee**, **Tierra**; **Curtis Worthley**, **Rosetta's Bar**; and **Vajra Rich**, **Boxcar**. These chefs were narrowed from a group of roughly 50 restaurant industry veterans who auditioned for a stall at Rosetta Hall.

**Points West Community Bank** opened its first Fort Collins branch at 3227 S. Timberline Road, the former home of Home State Bank. The bank also has branches in Wellington and Greeley.

**The Human Bean** opened its 10th location in Colorado on Sept. 10 with a stand in Greeley's St. Michael's Square, 6505 W. 29th St. It's the coffee company's third Greeley location, along with its current spots at 3665 and 2610 W. 10th St. The Human Bean operates locations in Fort Collins, LaSalle, Windsor, Loveland, Greeley and Evans, and also runs a coffee truck.

**Odell Brewing Co.** hopes to double its planned winery tasting room as a breakfast spot. Documents submitted to Fort Collins planning officials show the brewery plans to serve coffee in the mornings at the renovation site's tasting room, along with some pre-packaged bread, meat and cheese items. Odell's main taproom opens at 11 a.m.

**Heidenhain GmbH**, a German machine control manufacturer, opened a sales office at 1079 S. Hover St. in Longmont to serve the company's clients in the central United States and Mexico.

Information-technology services provider **Greystone Technology Group Inc.**, with offices in Fort Collins, Boulder and Denver, expanded to the New York City metro area.

### PRODUCT UPDATE

**Ball Corp.** (NYSE: BLL) unveiled its new line of recyclable aluminum cups Sept. 7 during the University of Colorado football team's home opener against the University of Nebraska. The CU Athletic Department, which debuted the first NCAA Division I athletics sustainability program in 2008, became the first collegiate venue in the nation to introduce the aluminum cups.

**Front Range Community College**, which has campuses in Longmont, Westminster and Fort Collins, will begin offering bachelor's degrees for nursing students this month. Previously, the college offered only associate's degrees in the field. FRCC's program allows nurses who already have completed their associate's degrees, or students currently in FRCC's nursing program, to earn a Bachelor of Science. The college estimates the state will face an annual 4,500-employee shortage of nurses with four-year degrees by 2024.



# Startups play role in space exploration

By Lucas High  
lhigh@bizwest.com

BOULDER — As the United States moves closer to putting an astronaut on Mars, government organizations and the private aerospace industry must be more collaborative than ever.

Close working relationships benefit space agencies by allowing them to focus on the big picture and companies get a boost from government funding and research and development.

Representatives of the public and private arms of the domestic aerospace sector gathered to discuss this issue last month in Boulder at the Space Commerce Workshop. The event, held at the National Institute of Standards and Technology, was organized by the U.S. Department of Commerce Boulder Laboratories, the DOC's Office of Space Commerce and the University of Colorado.

"We are in an era of technology convergence," Undersecretary of Commerce for Standards and Technology and NIST director Walt Copan said. "This is a time when we've seen so many elements of technology come together to drive innovation and new invention."

Public sector research has driven the aerospace industry since before U.S. President John F. Kennedy announced in 1962 that the country was determined to put a man on the moon. But increasingly, aspects of space exploration and technology development are being absorbed into the private sector, which experts say is largely a positive development.

"We are in a time when new tools are being developed to support public-private partnerships that are absolutely essential to the innovation pipeline for U.S. industry," Copan said. "Technology transfer [between the government and private firms] is a critical part of engagement that can take many forms."

Fluid management, solar propulsion, precision landing, and surface construction and excavation technologies are priority areas for collaboration.

"Part of our strategy is for commercial activity to help us seed assets. We can't do this mission on our own," NASA technology transfer strategist Steve Gonzalez said of the nation's mission to Mars.

NASA has developed a program to



LUCAS HIGH/BIZWEST

**Under Secretary of Commerce for Standards and Technology and NIST director Walt Copan (left) was joined by NASA technology transfer strategist Steve Gonzalez Thursday for a panel discussion at the Space Commerce Workshop in Boulder.**

increase engagement with the startup community.

"We were not getting as many startups licensing our technology as we were hoping for... and one of the barriers was licensing fees," Gonzalez said.

The Startup NASA program makes those licenses more accessible and encourages university and research institutions to engage with the startup community.

It's not just aerospace companies that can benefit from collaboration with organizations such as NASA or NIST. Technology developed in space often has Earth-bound applications.

"What happens in space is transforming industries on Earth," Gonzalez said, citing recent ag-tech irrigation innovations spawned by aerospace technology.

Michael Hurowitz, chief operating officer of Boulder-based Orbital Microsystems Inc., said public-private aerospace collaboration could benefit from increased transparency. If companies and agencies have a better understanding what one another are doing, it would decrease duplication

of efforts and increase efficiency.

In addition to more transparency, Hurowitz recommended increasing facilities-sharing opportunities and the development of creative financing mechanisms for small businesses and startups.

"You are seeing diversity of applications and users coming into the space domain," said Ian Chistensen, a program director at the Secure World Foundation. As the industry becomes more diverse and more accessible, it becomes more complicated to regulate.

Industry best practices and sustainability efforts are just as important in space as they are on Earth, he said.

The United States won't be alone in shaping the future of space exploration.

"We are in unprecedented territory when it comes to elements of global competitiveness," Gonzalez said. Domestic agencies and firms must not only compete with their foreign counterparts, but also collaborate.

"This is an international environment," he said.

## STARTINGLINE

### Romance publisher offers incubator program

For romance writers representing diverse communities, the Cultural, Interracial, Multicultural Special Interest Chapter of Romance Writers of America and Entangled Publishing LLC based in Fort Collins have partnered to establish the CIMRWA Author Incubator program. The program will provide select authors with an opportunity to benefit from expert mentors, while also having their books published. Specifically, CIMRWA members who are unpublished or have sold fewer than 10,000 copies per title are eligible to apply. They'll need to submit one chapter of up to 15 pages and complete a brief questionnaire focused on their writing and reading preferences. Entangled Publishing will conduct a blind review of all submissions and select five winners with whom to collaborate on development of a salable project. One of the selected authors will receive a mass market paperback contract for his or her book; the other four will be offered digital first-rights contracts, with the possibility of print opportunities. Specifically, CIMRWA members who are unpublished or have sold fewer than 10,000 copies per title are eligible to apply. They'll need to submit one chapter of up to 15 pages and complete a brief questionnaire focused on their writing and reading preferences. Entangled Publishing will conduct a blind review of all submissions and select five winners with whom to collaborate on development of a salable project. One of the selected authors will receive a mass market paperback contract for his or her book; the other four will be offered digital first-rights contracts, with the possibility of print opportunities.

### Innosphere leads Aspero Medical seed round

The Innosphere Fund, the funding arm of the local incubator for startup and scaleup science and tech-based companies, is leading a \$1-million seed round of financing for Boulder-based Aspero Medical Inc. The company has developed a medical device used in balloon endoscopy procedures. "There are significant limitations with current technology used in gastrointestinal endoscopy procedures," Aspero chief technical officer Mark Rentschler said in a prepared statement. "Our company has developed an alternative that will potentially improve performance of certain procedures, save time for practitioners and patients, and improve patient outcomes."

Funding from Innosphere will support product development, establishing full contract manufacturing capabilities, completion of key regulatory filings, and development of the company's commercial strategy.



# Urban-Gro to debut on public markets

By BizWest Staff  
news@bizwest.com

LAFAYETTE — Urban-Gro Inc., a firm specializing in engineering and maintaining marijuana and hemp growhouses, is debuting on the public markets.

According to filings with the U.S. Securities and Exchange Commission, the company proposes to put 1,799,150 shares worth of current shareholder equity on the over-the-counter QX market at approximately \$2.41 per share, producing approximately \$4.33 million for those early investors. Urban-Gro said it will not receive any proceeds from the offering, but could make up to \$1.96 million if all of its outstanding stock warrants are exercised.

Proceeds from the offering will go to the selling shareholders, who should expect to see proceeds of more than \$4.3 million, according to SEC filings.

Urban-Gro chief financial officer Richard Ackright did not respond to requests for comments.

The firm received approval to trade shares on the “pink sheets” market in August under the symbol “UGRW”, but didn’t register any stock for sale.

Urban-Gro, which was founded in 2014 and has yet to post a profit, recorded slightly lower revenues in the second quarter of fiscal year 2019, leading to a higher loss than was recorded during the same period last year.

Revenues in the most recent quarter were \$5.64 million, compared to nearly \$5.9 million in the second quarter of 2018. Losses in the most recent

period that ended June 30 were \$1.43 million, or 6 cents per share. That’s up from a loss of just under \$500,000, or 2 cents per share in the same quarter last year.

While quarterly results are down compared to the second quarter of 2018, revenues are actually up about 23 percent when you compare the first six months of this year to the first six of 2018.

Urban-Gro expects to be profitable by 2020, but this is by no means a certainty, according to the company’s prospectus submitted to the SEC.

To date, the company’s sole customers have been cannabis growers but Urban-Gro is aiming to diversify the target markets for its products.

“These prospective customers include cultivators of the world’s highest value crops including tomatoes, strawberries, chilies, peppers, and leaf lettuce,”

according to Urban-Gro’s prospectus.

Lack of access to traditional banking services and financing options have been a challenge for the firm.

Even though we are not actively engaged in the production of cannabis, the federal prohibitions on the cannabis industry inhibit our ability to establish traditional banking support and opportunities. Specifically, banks are currently unwilling to provide us with any financing normally available to growth stage companies similar to ourselves, including purchase order financing,” the prospectus said. “As a result, we have been forced to finance our expansion by raising capital privately, as well as through private debt and operating capital.”

**“These prospective customers include cultivators of the world’s highest value crops including tomatoes, strawberries, chilies, peppers, and leaf lettuce.”**

Urban-Gro’s prospectus

## Phone and Internet Discounts Available to CenturyLink Customers

The Colorado Public Utilities Commission designated CenturyLink as an Eligible Telecommunications Carrier within its service area for universal service purposes. CenturyLink’s basic local service rates for residential voice lines are \$24.00 per month and business services are \$33.00-\$37.00 per month. Specific rates will be provided upon request.

CenturyLink participates in a government benefit program (Lifeline) to make residential telephone or broadband service more affordable to eligible low-income individuals and families. Eligible customers are those that meet eligibility standards as defined by the FCC and state commissions. Residents who live on federally recognized Tribal Lands may qualify for additional Tribal benefits if they participate in certain additional federal eligibility programs. The Lifeline discount is available for only one telephone or broadband service per household, which can be on either a wireline or wireless service. Broadband speeds must be 18 Mbps download and 2 Mbps upload or faster to qualify.

A household is defined for the purposes of the Lifeline program as any individual or group of individuals who live together at the same address and share income and expenses. Lifeline service is not transferable, and only eligible consumers may enroll in the program. Consumers who willfully make false statements in order to obtain Lifeline telephone or broadband service can be punished by fine or imprisonment and can be barred from the program.

If you live in a CenturyLink service area, please call 1-855-954-6546 or visit [centurylink.com/lifeline](http://centurylink.com/lifeline) with questions or to request an application for the Lifeline program.



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Discussion groups gather around tables at the 2019 Larimer County Workforce Symposium.

KEN AMUNDSON / BIZWEST

# No letup to regional worker shortages

By Ken Amundson  
kamundson@bizwest.com

FORT COLLINS — Employers in Northern Colorado can expect worker shortages to continue long into the future, despite the efforts underway to fix workforce issues. And that shouldn't be a surprise to companies in the region.

Amanda Repella, who handles statistical analysis and research for the Larimer County Economic and Workforce Development department, told attendees at the annual Workforce Symposium Friday at the Lincoln Center in Fort Collins that the trend lines show that Larimer and Weld counties have been dealing with the same issue since at least 1998. And with low unemployment rates — well below the state and national averages — along with anticipated retirements of older workers will mean that available jobs will outnumber people looking for work long into the future.

“The last time Larimer County was above 5 percent unemployment [when more workers are looking for work than jobs are created] was the recession years, and before that 1992,” she said. “We can assume we'll be feeling the shortage of workers ongoing because the entirety of our data shows that we've been short of workers.”

With such a shortage of workers, that means employers locally and across the country are looking to hire away already employed workers.

**“We can assume we'll be feeling the shortage of workers ongoing because the entirety of our data shows that we've been short of workers.”**

Amanda Repella, Larimer County Economic and Workforce Development

The decision to leave a company for another isn't always about pay.

Eric Lea, who chairs the Workforce Development Board for the county, said work/life balance and company culture are more often the reasons for leaving a job than pay.

Jacob Castillo, economic-development director for Larimer County, said the McKinsey and Co. study of the national workforce concluded that 60 percent of jobs created by 2030 in the national economy will be clustered around 25 cities, which means that intense competition for workers will occur in the years ahead.

All workers, those in existing jobs and those in jobs to come, will likely face a new phenomenon in the workforce, namely that jobs will change and sometimes go away. Training and retraining will be essential, he said.

The old model, Repella said, was train-work-retire. The new model will

be train-work-train-work-train-work, she said.

According to McKinsey: “Employers will be the natural providers of training and continuous learning opportunities for many workers.”

David May, president and CEO of the Fort Collins Area Chamber of Commerce, described the regional Talent 2.0 campaign to seek solutions to workforce issues. He said the regional research shows that between 2017 and 2020, 28,000 job openings will be created, “but we're producing only 2,000 new workers each year.”

The Talent 2.0 effort has created a workforce portal, [www.workinnortherncolorado.com](http://www.workinnortherncolorado.com), that includes information about Larimer and Weld counties, tools for human resources and hiring managers, materials that can be shared with potential workers and jobs posted by employment category. May said 5,200 jobs have been posted to the website since its creation, and the jobs list is dynamic because it pulls listings from Indeed, an online jobs site.

May said the program has access to EMSI, a labor market analytics nonprofit, which is a subsidiary of Indianapolis-based Economic Modeling LLC. EMSI provides workforce insights that show that in some industries, some areas of the country have an excess of workers. Knowing that can help companies recruit in places where already-trained workers can be found.

## THE TICKER

### August unemployment rate flat in NoCo, Boulder Valley

The unemployment rate in Boulder Valley and Northern Colorado counties remained mostly unchanged between July and August, according to recently released data from the Colorado Department of Labor and Employment. Non-seasonally adjusted unemployment rates in Boulder, Broomfield and Larimer counties were flat during that period. Weld County's rate fell slightly. Larimer County led the way, with an August unemployment rate of 2.3 percent. Boulder and Broomfield counties both posted 2.4 percent jobless rates in August. Weld County's unemployment rate was 2.5 percent in August, down from 2.6 percent the prior month.

### U.S. 36 hotels most full in Aug.; Estes most costly

The U.S. Highway 36 corridor replaced Greeley in August as the area with the highest hotel occupancy rate in the Boulder Valley and Northern Colorado. Across the region, average daily room rates and occupancies dipped from July to August, according to the most recent Rocky Mountain Lodging Report by the Colorado Hotel and Lodging Association. Along U.S. 36, hotel rooms were 87.6 percent full in August, and rooms were priced at an average of \$139.54 per night. Boulder's occupancy rate trailed slightly at 87.5 percent. The city's \$216.86 average per night price made Boulder hotels some of the most expensive in the region. Loveland's occupancy rate in August was 86.7 percent, and the average price for hotel rooms was \$129.94 per night. Greeley posted a monthly occupancy rate of 83 percent and an average daily rate of \$115.62. In Fort Collins, the August occupancy rate was 81.6 percent, and the average price for a room was \$138.85. The most-expensive rooms in the region — \$220.98 per night — were in Estes Park, which posted a July occupancy rate of 80.9 percent. Longmont recorded an occupancy rate of 80.2 percent and average nightly rates of \$132.53.

### Colorado clean-energy job growth to hit 10.3% this year

Colorado's clean-energy sector could produce double-digit increases in new job creation, according to a new report outlining the industry's position in the state. The industry hiring grew by 4.8 percent in 2018, twice as much as the job growth recorded in every other industry. The industry hiring grew by 4.8 percent in 2018, twice as much as the job growth recorded in every other industry across the state, according to the 2019 Clean Jobs Colorado report produced by Environmental Entrepreneurs, an advocacy group for green energy companies. Clean power businesses surveyed by the report's authors expect hiring in the industry to accelerate through 2019 to as much as 10.3 percent.

### Water units fetch more than \$55,000 at auction

The Front Range's demand for water was front and center during a ranch auction in Loveland, as the average price of a water unit hit \$55,867. The auction for the 546-acre Fred Sekich farm near Mead drew 90 bidders for the 60 tracts of land and 172 units of the Colorado-Big Thompson Project, a water project that diverts precipitation from the Western Slope to the Front Range. The average price of a Big Thompson unit was \$55,867.



# Include compassion in company values

**W**e all know compassionate people, those who brighten the world by their very existence. You just know they're making the world a better place.

Business doesn't have that reputation. It's about making products. Delivering services. Being profitable. Attacking competitors.

That's a very functional feeling, even hard-edged. Especially when you're talking about the numbers.

So what does it mean for a company to have a more compassionate approach? And does it matter?

As with people individually, it comes down to a choice. What difference does a person choose to make to his or her family and community? What difference does a business choose to make to its employees, customers, and the larger society?

It's your choice.

Being a compassionate company is not the same as being weak or fluffy. A business must make a profit to survive, the same as you individually need to have a source of income to survive. But that says nothing

about what difference you choose to make in the world.

Sure, your customers appreciate the value you provide. And employees need a source of income. But doesn't making a difference go deeper than that?

What does compassion look like in business? A lot of it is attending to the small things. Giving employees a little latitude to recover from mistakes. Addressing customer issues in an understanding manner.



**SMALL-BUSINESS ADVISER**  
CARL DIERSCHOW

Showing gratitude to all who contribute to your success, inside and outside the company. Supporting diversity in a deeper way than just checking a box.

This says everything about how you go about doing what you do. It gives people a reason to care about your company at a much deeper level, which builds engagement and

loyalty. It starts having a reputation and character.

But why bother? Well, because people are ... human. We all make mistakes. As groups, we often make even bigger mistakes. That includes managers, employees, customers, and partners. And you.

An organization without compassion becomes what I call "brittle." The slightest disruption can send out ripples of distrust, fear, and retribution. People don't want to interact with it anymore, so customers will leave. Employees will find other employment, "retire in place," or just ramp back engagement to the minimum required.

Is it worth the trouble? It depends on three choices you get to make:

1. Do you want to keep your current customers and attract new ones?
2. Do you want to keep your best employees, and improve their engagement to do great work?
3. What difference do you want to make in your industry, your community, and the world?

Realize that all of these are choices. You can run your business how

**"What does compassion look like in business? A lot of it is attending to the small things."**

you see fit, and you can have whatever goals you wish. You may or may not succeed, but that's the normal outcome of how you play the game in your industry.

But if you want to build a great organization, create enduring relationships with your customers, and make an enviable difference to those in the larger community, well, it's good to include compassion in your strategy and values.

It's one of the key foundational elements for lasting business success.

*Carl Dierschow is a Small Fish Business Coach based in Fort Collins, specializing in companies committed to improving society and the world. His website is [www.smallfish.us](http://www.smallfish.us).*



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# BW COMMENTARY

## Time has come to allow state to spend excess TABOR funds

Colorado voters have an opportunity to strike a blow for sanity Nov. 5.

Proposition CC would do for state government what voters have already approved for almost all Colorado school districts (96 percent), counties (84 percent) and municipalities (80 percent): allow the state to spend revenues that it collects above spending limits imposed by the Taxpayer Bill of Rights.

TABOR, the restrictive tax-and-spending measure passed by Colorado voters in 1992, limits governmental spending to inflation plus population growth. The effect has been that state spending has not kept up with overall growth in the economy, leading to draconian cuts in funding for critical programs such as K-12 and higher education. (Colorado ranks near the bottom of all states in funding of K-12 and higher ed.)

And that ratchet-down effect also has caused the state to fall woefully behind on transportation spending, with the backlog of critical transportation projects last estimated at \$9 billion. (And any downturn in the economy would once again exacerbate the problem, as spending levels would “ratchet down” along with any decrease in tax revenues.)

Opponents of Prop CC argue that it violates TABOR, when, in fact, the opposite is true; courts have found that TABOR allows for voters to remove the limits on spending, as they have done for most of the political subdivisions of the state, as noted above.

But that has yet to occur at the state level, and, after 27 years of TABOR, the time has come.

Prop CC is designed to direct spending of the excess revenue in thirds: with one-third going to transportation, one-third to K-12 education and one-third to higher education. Estimates are that such additional spending would amount to \$310 million in 2020 and \$342 million in 2021, thought those estimates have since been revised downward.

Proposition CC does nothing to affect a provision that has widespread support from voters: the ability to vote on any tax increase. Additionally, it does not raise taxes. It merely allows the state to spend all of the revenues that it collects under current tax rates, rather than refund any excess revenues to the voters.

This provision does not make up for 27 years of cuts to K-12, higher ed or transportation. But it does enable the state to begin to address the shortfalls and sets Colorado up to invest wisely in its future.

Vote “yes” on Proposition CC.

## Women gain ‘economic clout’

Colorado long has enjoyed a high ranking for percentage of women-owned businesses, and a new report finds that the state ranks in the Top 10 nationwide for “economic clout” for women-owned businesses.

The report, “The State of Women-Owned Businesses Report,” was commissioned by American Express (NYSE: AXP) and was derived from data from the U.S. Census Bureau. It defines “economic clout” as the combined growth rates of women-owned businesses for number of firms, employment and revenue.



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NOTEBOOK  
CHRISTOPHER WOOD

Colorado ranked 10th nationwide in economic clout of women-owned firms from 2014 to 2019, according to the report. The Top 10:

1. Georgia.
2. Oregon.
- 3/4. Idaho and Nevada (tied for third place).
5. South Dakota.
6. Utah.
7. Michigan.
8. Maine.
9. Washington.
10. Colorado.

Nationally, the number of women-owned businesses increased 21 percent to 12.9 million during the five-year period, compared with a 9 percent increase for businesses overall.

Total employment increased 8 percent, compared with 1.8 percent for businesses overall.

And total revenue growth reached 21 percent for women-owned businesses, slightly beating the overall business revenue growth of 20 percent.

Women-owned businesses now represent 42 percent of all businesses, employing 9.4 million workers and generating revenue of \$1.9 trillion nationally.

Locally, it's gratifying to see how integral women are to the economies of the

Boulder Valley and Northern Colorado. The region boasts a long list of women who have become entrepreneurial success stories. Here are a few of my favorites:

- Beryl Stafford, founder and president of Bobo's Oat Bars, which began in her kitchen and now has become a nationwide brand, with operations in Boulder and Loveland.

- Brook Eddy, founder and CEO of Bhakti Chai. Eddy created a multi-million-dollar chai company from her kitchen, now with operations in Boulder and Longmont.

- Linda Cain, CEO of Cain Travel, a Boulder-based travel company and one of the largest women-owned businesses in Colorado. (Some might wonder how a travel company could be doing so well. Trust me: Strategic shifts were involved.)

- Kim Jordan, founder, New Belgium Brewing Co., one of the largest craft brewers in the country. Jordan founded the Fort Collins-based company with her former husband, Jeff Lebesch, eventually turning it over to employee ownership.

- Wynne, Corkie and Doug Odell, founders of Odell Brewing Co. in Fort Collins. Odell has thrived by not trying to get too big, but it's still one of the region's most-recognized brands, and also has embraced employee ownership.

- Lisa Clay, CEO of Advance Tank & Construction Inc., based in Wellington. The company ranks as the largest woman-owned company in Northern Colorado, with 2017 revenue of \$66 million.

- Lori Sutorius Jones, CEO of Avocet Communications in Longmont. Avocet was founded by Jones' father, but she has taken the marketing company to \$7.8 million in revenue as of 2017.

Women-owned business continue to grow in Colorado and the nation, and with examples such as these — and many others — it's not difficult to see why.

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

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#### Publishers

JEFF NUTTALL  
jnuttall@bizwest.com  
970-232-3131 | 303-630-1955

CHRISTOPHER WOOD  
cwood@bizwest.com  
303-630-1942 | 970-232-3133

#### Editor & Publisher

CHRISTOPHER WOOD  
cwood@bizwest.com  
303-630-1942 | 970-232-3133

#### Vice President of Strategic Partnerships

SANDY POWELL  
spowell@bizwest.com  
303-630-1954 | 970-232-3144

**BizWest**  
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#### Controller

DIANE CRISPIN  
dcrispin@bizwest.com  
970-232-3151 | 303-630-1963

#### VOLUME 38, ISSUE 11

##### Boulder Office

1600 Range St., Suite 101, Office #8, Boulder, CO 80301 | Fax: 303-440-8954

##### Fort Collins Office

736 Whalers Way, Bldg. G, Suite 100, Fort Collins, CO 80525  
P.O. Box 270810, Fort Collins, CO 80527 | Fax: 970-221-5432





# Consider community balance in voting

**E**lections have consequences. And at the end of the day, I won. So I think on that one I trump you.”

Those were the words that newly minted President Barack Obama supposedly uttered in a closed-door meeting with then-House Minority Whip Eric Cantor. The Republicans characterized this statement as emblematic of President Obama's intransigent approach to governance. While I think it's reasonable to note that the Republicans did a fair job themselves of digging in their heels to stymie much of the president's policy agenda, I think the dust-up over this quote from 2009 still carries important lessons for us today here in Boulder.

Elections do have consequences; that is why candidates and campaign committees fight so hard to win them. We also have critical local issues to address, many with global implications, that aren't susceptible to decisions based on narrow agendas or one-sided political control. Given these conditions, I believe we all want thoughtful, reasoned balance in our decision-making. It's with that brand of governance as our target



**BOULDER'S  
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JOHN TAYER

that I urge you to carefully choose the City Council candidates you support in this year's election.

I offer these thoughts against the backdrop of what clearly is the defining election issue: The future vision for a more welcoming and inclusive community and how best to achieve that vision.

For the first decades of Boulder's existence, city leaders followed a strategy that combined knowledge-based growth with environmental stewardship. They fought to secure Boulder as home for the state's flagship university, welcomed federal labs and attracted leading and diverse industries. At the same time, we created policies like the Blue Line and acquiring Open Space, to protect the environmental assets that we so cherish. This multi-faceted approach fostered an economic vibrancy and quality of life that make Boulder an attractive environment for business activity and a beloved place to call home.

What makes Boulder so very attractive, though, could also sow the seeds for a much less attractive future. The forces of supply and demand are taking their toll, as high-priced housing and commercial real estate are limiting access to our community for a wide spectrum of our workforce, businesses and nonprofits. Local government policies that apply excessive restraints on future development only exacerbate the drive toward exclusivity and homogeneity.

Fortunately, attention to a few basic principles can reverse these trends and build a community that is more reflective of our inclusivity values:

**Supporting Compact Development:** There are many benefits to compact development that increases the number of housing and commercial units on a parcel of land. These include using land more efficiently, reducing sprawl, mitigating traffic congestion and fostering environmental stewardship. Top among the benefits is the chance to make Boulder accessible to a more diverse population and mix of businesses. And we don't have to disrupt established neighborhoods to achieve this vision, as some fear. Instead, we need to focus on developing compact spaces where it makes sense, beginning with currently underutilized areas of our community, like Diagonal Plaza and other sole-use commercial zones that are close to transit corridors.

**Supporting "People-Centric Infrastructure":** We need to complement compact development projects with well-planned infrastructure that is people-centric, not vehicle-centric, as is the case in many parts of the city. We can accomplish this goal without punishing those who drive. Through investment in efficient transit systems and safe pedestrian and bike facilities, we will incent the use of alternative transportation modes for both regional commutes and

local trips. These investments will make workforce and resident travel more convenient and sensitive to our environment, while also providing more affordable mobility options.

**Incentivize Innovative Projects:** Nationwide, we're seeing examples of environmentally friendly, compact design projects that create affordable live-work environments and actually reduce vehicular traffic. Such innovation arises out of close collaboration between development interests, including our university, and city leadership. Instead of our too-often adversarial atmosphere and reliance on the regulatory stick, we should set a clear vision and provide the incentives to realize it.

I appreciate that some might not share the vision I've just described. That's OK. The Boulder Chamber organization that I represent will always be open to listening, learning and narrowing the differences between us. Still, elections have consequences. That's why I urge you to vote by Nov. 5 for City Council candidates who recognize our current trend toward exclusivity and, instead, offer a balanced vision for a more inclusive and welcoming community.

*John Tayer is president and CEO of the Boulder Chamber of Commerce. He can be reached at 303-442-1044, ext 110 or john.tayer@boulderchamber.com.*

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