

# BizWest

THE BUSINESS JOURNAL OF THE BOULDER VALLEY AND NORTHERN COLORADO

VOLUME 38 | ISSUE 13 | DECEMBER 2019

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## THE LEGACY OF BLUE BEAR



A BizWest  
Special Report  
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Factoring company Blue Bear Financial filed for bankruptcy in 2005, costing hundreds of investors \$20 million. Now, almost 15 years later, those investors are still seeking answers. Sharon Prior Moore, pictured, is one of the investors who lost large sums of money investing with Blue Bear investment factoring. IMAGE BY JOEL BLOCKER/FOR BIZWEST

### EXECUTIVE PROFILE

## Finding her passion leading ortho practice

Catherine Higgins, CEO of BoulderCentre for Orthopedics & Spine. **PAGE 3**

### STEPPING OUT

## Efrain's rides high in popularity

Consistent menu, quality drive success of eatery. **PAGE 6**

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First customers to come online by mid-2020 or earlier. **PAGE 24**

### BREWING

## Ska marries brewing, distilling

It was fate: Closure of one brewery opens door to another. **PAGE 26**

*BizWest is an independent, locally owned business journal.*

## Upcoming BizWest Networking Events

Economic Forecast  
January 22, 2020  
Doubletree by Hilton  
Greeley



For more information or to register,  
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- **Business Weekly** is sent out Saturday morning, one to Boulder Valley and one to Northern Colorado focusing on news that is of pertinent to those markets.

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BizWest produces a variety of business conferences, networking events and award programs throughout the year, both in the Boulder Valley and Northern Colorado. Visit our website at [www.bizwest.com/events](http://www.bizwest.com/events) to submit award nominations or to register.

■ Economic Forecast

Northern Colorado  
January 22, 2020  
Doubletree by Hilton, Greeley



QUOTABLE

“As new investments were made, existing investors were paid regardless of which entity they had invested in, and new investors were sought to pay the previous round of investors...”

According to court Documents obtained by BizWest Staff.  
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**BW** EXECUTIVE PROFILE

# Higgins revels in role with ortho practice

By Jeff Thomas  
news@bizwest.com

There's little doubt that Catherine Higgins, who has been the CEO and CFO of BoulderCentre for Orthopedics & Spine since its inception in 2014, is exactly where she has always wanted to be.

"Back in the day, I really had a passion for medicine," said Higgins, whose bachelor's degree was in finance at Notre Dame. "Then I thought about the years of med school, ..."

Though choosing a career path that allowed her to go directly into the working world from college, Higgins always gravitated toward health care. Early in her career as a CPA, she said, about half of her business was involved in health-care audits.

Higgins came to the University of Colorado at Denver to obtain a masters in health administration in 1992, became a consultant and a senior director with Voluntary Health Agencies, and was executive director of Boulder Valley Individual Practice Association for 17 years before taking the position at BoulderCentre.

Essentially, the greater part of her career was spent helping physicians continue their careers as independent practitioners, she said. The Boulder Valley IPA represents more than 500 independent physicians.

"Remaining independent is important to physicians; many don't want to end up being employed by a hospital system, she said. "Being an employee is not inherent in most of their personalities."

Higgins became the CEO/CFO of BoulderCentre on its first day of operation. The corporation was formed by a merger between Mapleton Hill Orthopedics and Boulder Orthopedics in



COURTESY BOULDER CENTRE FOR ORTHOPEDICS & SPINE  
Catherine Higgins, with a financial background, fulfills her passion for medicine in her role at the Boulder Centre for Orthopedics & Spine.

April of 2016.

"I have always wanted to run a large group practice, having been on the consulting side for my entire career," she said. "Watching the two practices come together and grow cohesively has been wonderful."

All of the 14 physicians in the BoulderCentre own shares in the corporation, so Higgins' commitment to individual practices is important. However, there are also 100 employees to consider, as well as supporting all

the medical equipment that support the physicians.

"Dealing with the health-care environment in this day and age is difficult," she said. "Reimbursement is not going up, and you have to be careful how to deliver quality care. At the same time you have to constantly be developing new revenue streams."

Patient care has to be the first consideration of how to proceed with the Centre and that includes making sure that physicians have the resources

**"Remaining independent is important to physicians; many don't want to end up being employed by a hospital system."**

Catherine Higgins, CEO and CFO of BoulderCentre for Orthopedics & Spine

and staffing to ensure that remains a priority, Higgins said. "You have to make sure they just have to worry about their patients and the practice of medicine.

"But at the end of the day it's a business. The lights have to come on every morning, and it's a really hard balancing act to make it work."

Higgins said the Centre, which has a main office and clinic in Boulder and a second in Lafayette, has a good core of physicians, staff and equipment — which make it the largest orthopedic organization in the county. While young physicians are periodically brought in as partners to replace retiring physicians or fill an important specialty, growth isn't the organization's first priority.

"I don't think we're looking to grow, unless it was through another similar merger," she said.

And the organization is small enough to allow her to go downstairs to witness one of the many surgeries the doctors here routinely provide.

"It's like coming full circle, but it wasn't an intentional circle ever. This is where I was meant to be, and it's really fun," she said. "But watching those surgeries, that confirms I was not meant to be a doctor."

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# Colorado Construction Firms Merge

FORT COLLINS — Dohn Construction, Inc., is proud to announce a recent merger with Denver Design Build, LLC to collectively form Dohn Construction. This merger reflects a partnership between the companies over the past 10 years from family-based origins to combine Northern Colorado-based Dohn Construction, Inc. and Denver-based Denver Design Build, LLC to now serve the entire Front Range market as Dohn Construction.

Doug Dohn, President of Dohn Construction and Connie Dohn, Chief Financial Officer of Dohn Construction, have served as mentors to their nephew, Jeff Gates, as well as Jeff Ayres, both former co-owners of Denver Design Build. This mentorship, in conjunction with family ties, proved the perfect combination for the merger of the two Colorado-based companies to now operate from Northern Colorado to the Denver Metro area.

“One of the main goals with this merger was to offer expanded services to our clients over a larger geographical area without having our staff work as commuters. A larger company also allows for more career advancements and better training for our team members, which results in better outcomes for everyone,” commented Doug Dohn. He continued, “Merging with Denver Design Build will give us the expanded footprint in the front range to increase the types of projects we take on and the overall ongoing stability of the company to better serve our current customers.”

**This merger will not only allow for growth, but it will help us continue to redefine construction culture through new ways of thinking and doing business.**

**Jeff Gates**  
Metro Director of Field Operations



The New Dohn Construction Ownership Team from L to R: Jeff Gates, Jeff Ayres, Doug Dohn, Connie Dohn, Stephanie Dohn

Founded by Doug and Connie Dohn on September 22, 1992, Dohn Construction, Inc. began as a small company with the desire to change the general contracting industry through valuing clients, employees and subcontractors without compromising their original focus – to provide a superior building experience by developing strong client relationships, understanding their needs and creating trust. The Dohn portfolio features over 10,000,000 square feet of varying projects, the first LEED® for Schools Gold Certified project built in the United States and countless repeat clients.

Denver Design Build is a relatively young company launched by Jeff Ayres and Jeff Gates, that developed efficient and agile approaches for everything from new business development to project management throughout its 10 years of operation. Despite the impact of the economic downturn on the housing market, the team at Denver Design Build has managed steady growth year after year as a trusted Denver commercial contractor, with over 25 years of combined experience from their leadership team having served the Denver area as both residential and commercial building experts.

The new Dohn Construction will absorb Denver Design Build's way of working to streamline, modernize and grow business. “This merger will not only allow for growth, but it will help us



continue to redefine construction culture through new ways of thinking and doing business,” said Jeff Gates. Jeff Ayres added, “We can now support our depth of experience in the local Denver market with greater bonding capacities for clients on commercial projects, while still offering the personalized, innovative services our team is known for.”

Dohn Construction will continually and faithfully serve clients in Northern Colorado as it has done for the past 27 years from its Fort Collins office location, while now operating from the additional Denver-Metro office under the lead of Gates and Ayres to diversify both type and geographic capability, all while maintaining its core values and guiding principle of “quality built on trust.” Stephanie Dohn, daughter of Doug and Connie Dohn remarked, “We're excited about the opportunities the joining of these two companies will bring for growth as well as increase our capacity to serve present and future customers.”

For more information on the new Dohn Construction, now operating from NoCo to Metro, please visit [www.dohnconstruction.com](http://www.dohnconstruction.com).

INTRODUCING THE NEW

For more information please visit  
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now operating from NoCo to Metro



# New Belgium to sell to Australian beer conglomerate

*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.*

New Belgium Brewing Co., a legacy craft-brewing operation based in Fort Collins, has entered into an agreement to be acquired by Australian beermaker Lion Little World Beverages Ltd. Lion Little is a subsidiary of Kirin Holdings Co. Ltd., a Japanese firm that owns the Kirin beer brands. The New Belgium acquisition is expected to close by the end of the year. Terms of the all-cash deal were not disclosed. New Belgium has been entirely employee-owned since 2012. That will no longer be the case. The company, which produces popular beer varieties including beers including Fat Tire Belgian Style Ale, 1554 Black Lager and Voodoo Ranger IPA, has breweries in Fort Collins and Asheville, North Carolina.

Posted Nov. 19.

## Boulder firm to launch CBD vending machines

Fortnight Collective LLC, a Boulder-based marketing agency, is working with Denver CBD firm HempFusion Inc. to install vending machines in airports around the country that will serve hemp-

### NEWS DIGEST

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■ [bizwest.com/subscribe-to-our-newsletters](http://bizwest.com/subscribe-to-our-newsletters)

derived products to travelers. Atlanta's Hartsfield-Jackson International Airport will get the first CBD vending machine later this month.

Posted Nov. 20.

## S&P downgrades Tri-State credit rating

Standard and Poor's slightly downgraded its rating for power wholesaler Tri-State Generation and Transmission Association Inc., in part due to two of its largest customers trying to end its contracts with the company. In a statement from the ratings firm, S&P downgraded Tri-State's long-term rating from an A to an A- and its short-term rating from A1 to A2. While both of those figures are still considered investment grade, S&P believes Tri-State could face a downturn in the coming years upon certain events taking place and could impact its

ability to repay debt. S&P mainly cited Durango-based La Plata Electric Association Inc. and Brighton's United Power Inc. as reasons for the drop. The two co-ops allege Tri-State is effectively refusing to allow them to leave the association and is asking the Colorado Public Utilities Commission to make Tri-State give them quotes for exit fees.

Posted Nov. 20.

## Longmont EDP opens doors to new HQ

The new Longmont Economic Development Partnership headquarters is more than just office space. It's a hub for the local business community that's home to a co-working space and a startup accelerator. Longmont EDP leaders welcomed members of the Longmont Chamber of Commerce on Nov. 19 to tour the new 4,000-square-foot operation at 1925 Pike Road. The Pike Street officers are home to Innovate Longmont, an entrepreneurial accelerator program formed as a public-private partnership between the LEDP, the city, Tinker-Mill, Boulder County Small Business Development Center, Longmont Area Chamber of Commerce and Startup Longmont. EForAll, another business accelerator with existing programs in Massachusetts, is also

setting up shop in the space. The first cohort is expected to begin work early next year. Longmont EDP's new co-working space, branded OneWest Co-working, is accepting tenants who can rent desks or offices on a monthly or daily basis.

Posted Nov. 20.

## Berthoud chamber director to retire at year's end

Deanne Mulvihill is retiring from the top post at the Berthoud Chamber of Commerce. The Chamber said Mulvihill is due to step down effective Dec. 31 this year after six years at the helm. Chamber representatives will release further details for those interested in applying for the job in the coming weeks.

Posted Nov. 19.

## Terrapin Care Station pledges \$15 minimum wage

Terrapin Care Station, a Boulder-based chain of cannabis dispensaries, will raise its minimum wage for employees companywide to \$15 per hour. The firm's decision comes as the Denver City Council considers raising the city's minimum wage to \$15 for all employees. Colorado's minimum wage is currently \$11.10 per hour. TCS operates dispensaries in Boulder and Longmont.

Posted Nov. 12.

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# BW STEPPING OUT



LUCAS HIGH / BIZWEST

Efrain's success in Boulder comes from consistent quality, good service and return customers.

## Efrain's II serves traditional Mexican food

By Elizabeth Gold  
news@bizwest.com

Whereas the founder of Efrain's shies away from the spotlight, the food his Boulder restaurant serves up does not. Well-seasoned with high-altitude chilies, the meals highlight the taste of northern Mexico, specifically the state of Chihuahua.

In response to the taste, Boulder County has shown its appreciation for Efrain's Mexican Restaurant and Cantina by consistently naming it the best Mexican restaurant since 2009 by voting it number one through the People's Choice Awards.

With decades of cooking the recipes he grew up with combined with running successful restaurants, Efrain Gomez sums up his drive simply. "I have loved to cook ever since I was a little kid. I like working in the kitchen, and it makes me happy to give people food they love."

"I learned to cook from my mom and my aunts," he added. "I learned how to run a business from my uncles who also had their own. But a lot of what I've learned has been from jumping into the fire and starting a restaurant on my own."

Gomez kicked off his professional culinary adventure by cooking in his uncle's Boulder restaurant — Señor Miguel's. In 1989 he headed out to Lafayette with his sisters and brothers and opened his own restaurant — now

referred to as Efrain's I.

According to Gomez's nephew Cristian Pinon, the mix of family, business and his introverted, independent spirit led Gomez to leave the Lafayette restaurant and take time off before founding Efrain's of Boulder at 1630 N. 63rd St., in 1998. The restaurant is referred to as Efrain's II.

"It was small enough for him to run," Pinon said.

Even though today both locations hold the name "Efrain's," they are separately owned and managed with different employees, menus and prices. "We're separate entities with no formal collaboration," Pinon said.

"Efrain is the sole owner, and I'm the general manager," he added, referring to the Boulder location. "He helps a lot doing the cooking and playing the role of manager, overseeing everything and talking with all the customers he's known for decades."

Efrain's recipes are prepared according to authentic northern Chihuahua style where the chilies are spicy and flavors are robust, according to Pinon. The high altitude desert region is where Gomez grew up.

"I think the reason people love coming here so much is because our food is so amazing. We're adamant about being consistent and keeping the same recipes that go back over 50 years to Efrain's aunts and uncles."

Pinon groups the service in with the food as top reasons why custom-

ers wait in line on any given day to be seated. "They both create a warm feeling in your stomach."

Many of the up to 50 employees have worked at Efrain's of Boulder for more than 20 years. "They're dedicated to their jobs and love the food as well as the customers," Pinon said. "When people come in, they feel like they're entering a home and like they're family."

In addition to Gomez and Pinon, there are other family members keeping Efrain's successful — all adding to that family feel.

"This is our local hangout," said Allyn Garella, sipping a trademark Efrain's margarita with friends, waiting for a table to open up. "We see the same people, and the food is affordable and good."

Her friend, Cheri Phelps, added that they loved the family-owned feeling.

In 2005, Gomez and his life and business partner, Nancy VanLoon, ventured out to Longmont to open another Efrain's. "For Efrain it was his dream restaurant — it had a big kitchen with brand new equipment," Pinon said. "They wanted a more slow-paced place that wouldn't be overwhelming and were only opened four or five days a week."

The demands of running both Longmont and Boulder proved to be too much, however, so Efrain's of Longmont, although successful, closed in 2017. Gomez defines man-

aging stress as one of the biggest challenges for a restaurant owner. "Sometimes things can be very stressful in kitchen environments."

Around that same time, Pinon told the couple that he was ready to be 100 percent onboard with the Boulder restaurant. After growing up in the Lafayette restaurant and working side-by-side with his uncle in Boulder, Pinon, 22, is now in training to one day be owner.

"I came to Boulder at 15 to work with Efrain, and he told me I had it in me to be a leader. He's a mentor to me with hopes of me continuing the tradition and keeping the restaurant going."

Having grown up working in the Lafayette Efrain's, Pinon describes the restaurant life as in his DNA. "It gave me an early sense of responsibility about money and time."

Business is on an upward trend but the size of the space — about 2,000 square feet — limits growth. "There's nothing official but my long-term vision is to expand in one way or another with ideas like a new building, a new business, a catering service or a catering truck," Pinon said. "I want to serve our demand, and our demand is larger than our supply."

For the time being, though, Gomez continues to hop in on the line to cook and teach Pinon the ropes of running a successful business that keeps customers coming back for more.



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LIST

Colleges and Universities

Ranked by 2018 fall enrollment

| Rank | Institution<br>Phone/Fax   | 2019<br>Full-time<br>Part-time | Undergraduates<br>Grad. students<br>MBA students | In-State Tuition<br>Out-of-State Tuition            | Full-time teaching staff<br>Part-time teaching staff | Person in charge<br>Title<br>Year founded<br>Website   |
|------|--|--------------------------------|--|---|--|--|
| 1    | <b>Colorado State University</b><br>200 W. Lake St.<br>Fort Collins, CO 80523<br>970-491-1111                                      | 41,234<br>34,877<br>5,798      | 33,330<br>7,723<br>864                           | \$4,713.20 per semester<br>\$14,073.30 per semester | 1,904<br>770   | Anthony (Tony) Frank<br>chancellor; Joyce McConnell<br>president<br>1870<br>www.colostate.edu    |
| 2    | <b>University of Colorado Boulder</b><br>565 UCB, University of Colorado Boulder<br>Boulder, CO 80309<br>303-492-6893/303-492-4491 | 35,528<br>33,531<br>1,997      | 29,624<br>5,904<br>187                           | \$10,728<br>\$36,546                                | 1,711<br>962   | Philip DiStefano<br>chancellor<br>1876<br>www.colorado.edu                                       |
| 3    | <b>Front Range Community College</b><br>2190 Miller Drive<br>Longmont, CO 80501<br>303-678-3722/303-678-3699                       | 19,372<br>4,962<br>14,410      | 19,372<br>0<br>0                                 | \$3,574<br>\$14,662                                 | 249<br>861   | Andy Dorsey<br>president<br>1968<br>www.frontrange.edu   |
| 4    | <b>Front Range Community College</b><br>4616 S. Shields St.<br>Fort Collins, CO 80526<br>970-226-2500                              | 19,372<br>4,962<br>14,410      | 19,372<br>0<br>0                                 | \$3,574<br>\$14,662                                 | 249<br>861   | Andrew Dorsey<br>president<br>1968<br>www.frontrange.edu   |
| 5    | <b>University of Northern Colorado</b><br>1862 10th Ave.<br>Greeley, CO 80639<br>970-351-1890/970-351-3340                         | 12,242<br>8,659<br>3,583       | 9,326<br>2,916<br>104                            | \$304<br>\$792                                      | 510<br>358   | Andy Feinstein<br>president<br>1889<br>www.unco.edu  |
| 6    | <b>Aims Community College</b><br>5401 W. 20th St.<br>Greeley, CO 80634<br>970-330-8008   | 6,099*<br>2,205<br>3,894       | 6,099<br>0<br>0                                  | \$105.73 per credit hour<br>\$425.25                | 113<br>212   | Dr. Leah L. Bornstein<br>president<br>1967<br>www.aims.edu                                       |
| 7    | <b>Naropa University</b><br>2130 Arapahoe Ave.<br>Boulder, CO 80302<br>303-546-3572/303-546-3536                                   | 958<br>768<br>190              | 419<br>539<br>0                                  | \$1,090<br>\$1,090                                  | 49<br>115  | Charles G. Lief<br>president<br>1974<br>www.naropa.edu   |
| 8    | <b>IBMC College</b><br>3842 S. Mason St.<br>Fort Collins, CO 80525<br>970-223-2669/970-223-2796                                    | 625<br>625<br>N/A              | N/A<br>N/A<br>N/A                                | \$390/credit hour, \$18.50/clock hour<br>N/A        | 100<br>75  | Diana Gunderson<br>vice president of education;<br>Steven Steele<br>CEO<br>1987<br>www.ibmcc.edu |
| 9    | <b>CollegeAmerica</b><br>4601 S. Mason St.<br>Fort Collins, CO 80525<br>970-225-4879/970-225-6059                                  | 105<br>105<br>N/A              | N/A<br>N/A<br>N/A                                | \$39,425-\$74,700 per specific program<br>N/A       | 5<br>15  | Joel Scimeca<br>executive director<br>1964<br>www.collegeamerica.edu                             |

Regions surveyed include Boulder, Broomfield, Larimer and Weld counties.

1 All data 2018

Researched by BizWest


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LIST

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Ranked by number of employees

| Rank | Company   | Local employees | Presses: Kind (number of each)  | Specialties  | Phone<br>Website                             | Person in charge<br>Year founded            |
|------|---|-----------------|---|--|--|---|
| 1    | <b>Circle Graphics</b><br>120 Ninth Ave.<br>Longmont, CO 80501-4594                             | 550             | Billboards, wall decor, business & retail signs & banners.  | Grand format, billboards, personalized wall decor.   | 303-532-2370<br>www.circlegraphicsonline.com | Andrew Cousin<br>CEO<br>2000                |
| 2    | <b>Prairie Mountain Publishing</b><br>801 N. Second St.<br>Berthoud, CO 80513                   | 50              | ManRoland   | Commercial printing, newspapers, anything media related.   | 303-332-4312<br>N/A                          | Randy Sannes<br>plant manager<br>N/A        |
| 3    | <b>Citizen Printing Inc.</b><br>1309 Webster Ave.<br>Fort Collins, CO 80524                     | 42              | Digital and offset presses. One to multiple colors up to 28" x 42".   | High-end projects, coatings, die cutting, kitting, inserts and folding.  | 970-482-2537<br>www.citizenprinting.com      | David Shafer<br>president/CEO<br>1906       |
| 4    | <b>D&amp;K Printing Inc.</b><br>5637 Arapahoe Ave.<br>Boulder, CO 80303                         | 30              | 6 Color with Coater - Komori; 5 Color with Coater - Heidelberg; Konica Minolta - Digital, 2 Color - Hamada  | Printing.  | 303-444-1123<br>www.dkprinting.com           | Gary Bennett<br>president<br>1964           |
| 5    | <b>ePac Flexible Packaging</b><br>1772 Prairie Way<br>Louisville, CO 80027                      | 30              | Focuses solely on the quick-turnaround, short-to-medium-run flexible-packaging market. Providing finished pouches and roll stock, custom printed with digital printing technology to eliminate plate fees and offer order to demand to reduce inventory and obsolescence. | Focuses solely on the quick turn-around, short-to-medium-run flexible-packaging market.  | 303-500-3292<br>www.epacllc.com              | Dustin Steerman<br>managing partner<br>2016 |
| 6    | <b>Morrell Printing Solutions LLC</b><br>990 S. Public Road, Unit C<br>Lafayette, CO 80026-2346 | 15              | 1 Heidelberg Speedmaster 2 color perfecter, 1 Heidelber Quickmaster 2 color, IGen 150, Xerox Colorpress 1000, Xerox Nuevaera 120EA. 3 letterpresses.  | Enhanced digital print capabilities with Gold, Silver, white and spot clear ink. In-house die cutting and perfect binding.   | 303-665-4210<br>www.morrellprinting.com      | Jim Morrell<br>manager<br>1975              |
| 7    | <b>Action Signs &amp; Banners</b><br>1413 Webster Ave., No. 1<br>Fort Collins, CO 80524-4628    | 15              | (2) large format roll to roll printers  | Vehicle wraps and graphics, custom signs, trade-show displays, large-format prints, labels, etc.   | 970-223-2124<br>www.actionsignsco.com        | Randy Lerich<br>owner<br>1997               |
| 8    | <b>GrafXGroup/Photo Craft Imaging</b><br>2901 55th St.<br>Boulder, CO 80301                     | 14              | Large-format commercial printing. Flat-bed printing and CNC cutting. Displays, custom framing, photographic and fine art printing. Graphic installations. Wall murals/paper, floor and window graphics.   | Retail interior graphics packages (POP/POS/ Wayfinding); museum quality photographic printing and conservation framing; experiential/ environmental graphic displays; Fine art printing and framing. | 303-442-6410<br>www.pcigrafx.com             | Jesse Diamond<br>owner<br>1974              |
| 9    | <b>AlphaGraphics of Northern Colorado</b><br>5803 Lockheed Ave.<br>Loveland, CO 80538           | 13              | Print, digital marketing, signs, banners and website.   | Banners, signs, posters, large-format printing, brochures, flyers, newsletter printing, business cards, direct mail and fulfillment, letterhead and envelopes, invitations, manuals and booklets.    | 970-223-6316<br>www.agnoco.com               | Satya Kothiyal<br>owner<br>1996             |
| 10   | <b>Signs First</b><br>2986 29th St., Suite 8<br>Greeley, CO 80631                               | 12              | Roland soljet 640 XR, (1), Roland SE 540 02 (1),  | Banners, custom signage, business cards, promotional items, custom apparel.  | 970-339-5859<br>www.signsfirstgreeley.com    | Kathy Maine<br>owner<br>1994                |
| 11   | <b>Print Experts</b><br>6035 Longbow Drive, Unit 108<br>Boulder, CO 80301                       | 9               | (8) Digital Presses (1) Offset press  | Print & mail solutions, marketing & sales collateral, signs & banners, direct mail, business forms & stationery, training materials, pickup & delivery service.                                      | 303-448-1111<br>www.myprintexperts.com       | David Mikelsons<br>store manager<br>1997    |
| 12   | <b>Ron's Printing Center</b><br>420 Main St.<br>Longmont, CO 80501                              | 7               | AB Dick 9870 2-Color; Canon ImagePress C-10000; Canon ImagePress C-800; Oce 135   | High-speed, full-color digital printing for business, commercial and personal printing.  | 303-772-2510<br>www.ronsprinting.com         | Ron Cheyney<br>president<br>1978            |
| 13   | <b>Frontier Print Center</b><br>1400 Webster Ave.<br>Fort Collins, CO 80524                     | 7               | Xerox (3), Heidelberg (2), iJet envelope printer.   | Digital printing, embroidery and ad specialties.   | 970-484-2950<br>www.frontierprintcenter.com  | Steve Beddoe;<br>Doug Iszler<br>1982        |



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| 20     | <b>New Media One Web Services</b><br>720 Austin Ave., Suite 202<br>Erie, CO 80516            | 5                   | Web hosting, Web development, Web design, Google Cloud, Google apps, real estate websites, IRES/REcoloado, IDX, mobile-app development (iPhone, Android, Mobile Web) e-commerce, geolocation, API. | N/A   | 303-828-9882<br>www.newmediaone.net   | Peter Janett president 1997  |  |
| 21     | <b>Business Card Factory of Colorado</b><br>1608 Riverside Ave.<br>Fort Collins, CO 80524    | 5                   | Digital presses (4).   | Booklets, spiral and marketing materials. Graphic design, direct-mail, brochures, postcards.  | 970-493-3401<br>www.bizcardcolorado.com   | Bert McCaffrey president 2005  |  |
| 22     | <b>Minuteman Press Boulder</b><br>1644 Conestoga St., Suite 4<br>Boulder, CO 80301           | 4                   | Full color and black white digital print services for marketing, promotional items, commercial design, printing, bindery and mailing center utilizing all forms of media.                          | Black and white and full-color copies. Full-service commercial design, printing, bindery and mailing center utilizing all forms of media.   | 303-449-2997<br>www.mpboulder.com   | George Sawicki; Susan Sawicki co-owner 1990                            |  |
| 23     | <b>Print It LLC</b><br>154 W. Mountain Ave.<br>Fort Collins, CO 80524                        | 4                   | Offset presses   | One/two color offset printing.  | 970-221-5444<br>www.printitllc.com  | Briana Fischer owner/partner 2008                                      |  |
| 24     | <b>Reprographics Inc.</b><br>2600 Canton Court, Suite E<br>Fort Collins, CO 80525            | 3                   | Large-format digital printing, scanning, laminating, mounting, blueprints, signs & banners, brochures and flyers.  | Digital blueprinting, large & small-format digital printing, Large-format scanning, laminating, mounting, trade-show graphics, posters and signs, banners, copies, flyers, banner stands, art prints. | 970-224-9999<br>www.reprofortcollins.com  | Ken Connor; Curtis Mettlen president; general manager 1976             |  |
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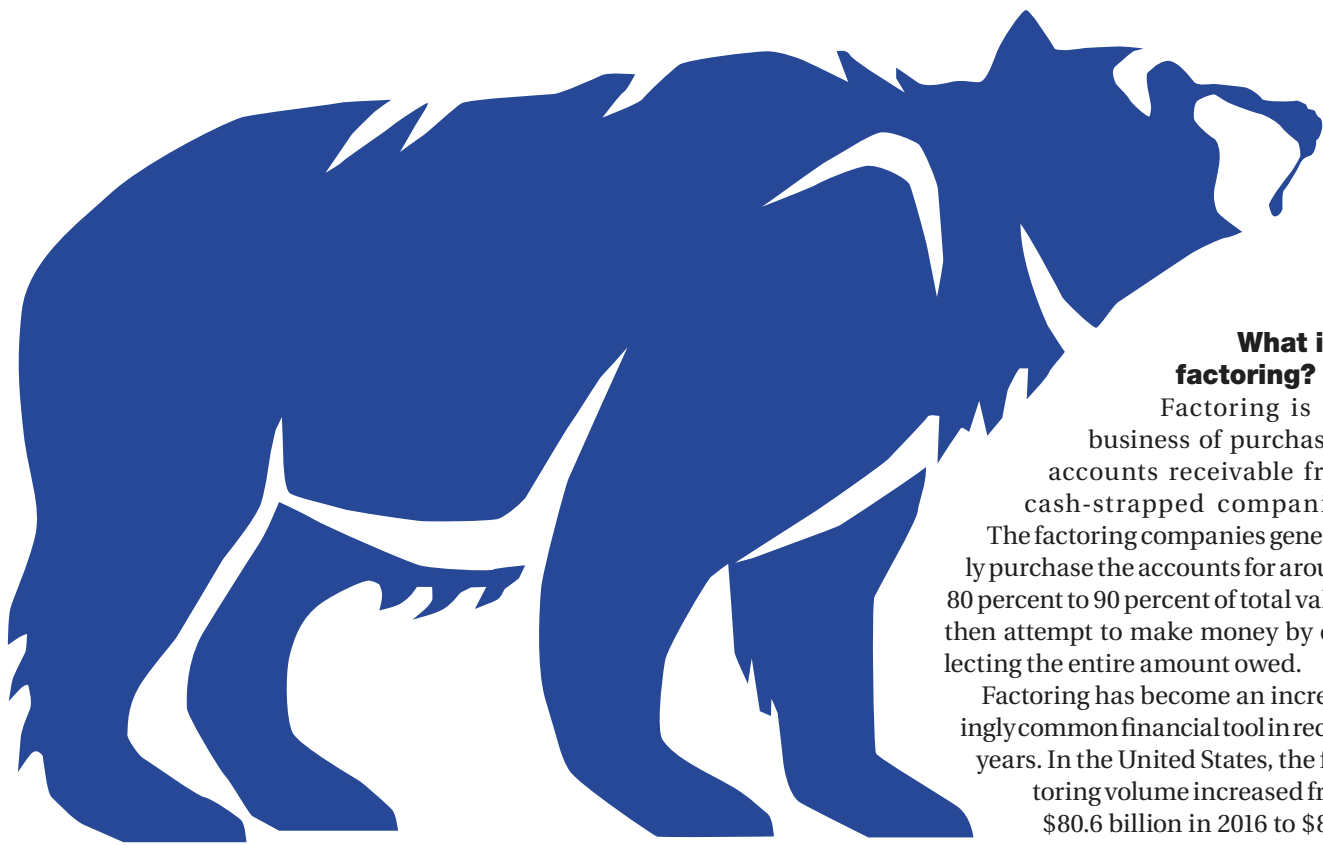
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# “BIRTH of a Ponzi-type scheme”



By Lucas High  
lhigh@bizwest.com

WINDSOR — About 15 years ago, investors in a Windsor-based factoring company began to receive troubling hints that their investments, which at first had yielded substantial returns, were in danger.

The subsequent collapse of Blue Bear Funding LLC left more than 400 investors with worthless stock in Blue Bear or its affiliates, with many of those investors losing tens or hundreds of thousands of dollars — some losing college funds or their retirement savings.

Blue Bear turned out to be a teetering house of cards built on misplaced investor trust and worthless invoices that evolved into an elaborate shell game meant to keep regulators off its scent.

The Blue Bear saga has unfolded slowly in the pages of court documents and bankruptcy filings and as a 10-year-old trust established to manage and disburse any recovered funds comes to an end.

Just how and when the Blue Bear Ponzi scheme was first born may never be fully understood by anyone outside of a tight circle of business partners, consultants and attorneys. However, buried amid a mountain of legal filings and a maze of court documents, there lies a clue.

Perhaps the idea for the scheme, which in the mid-2000s resulted in hundreds of investors losing life savings, college funds and retirement nest eggs, was sparked as early as 1996.

That's the year that David Karst, who would go on to be Blue Bear's managing partner, first learned about factoring, court documents allege.

Karst did not respond to requests for comment, however he appears to still reside in the area. A Linked In account for a David Karst in Fort Collins lists his current position as a district sales manager for Varco Pruden Buildings. Voting records from the Colorado Secretary of State's office show a David Karst of Fort Collins voted in Larimer County as recently as 2018.

## What is factoring?

Factoring is the business of purchasing accounts receivable from cash-strapped companies. The factoring companies generally purchase the accounts for around 80 percent to 90 percent of total value, then attempt to make money by collecting the entire amount owed.

Factoring has become an increasingly common financial tool in recent years. In the United States, the factoring volume increased from \$80.6 billion in 2016 to \$85.5 billion in 2018, according to the Commercial Finance Association's Annual Asset-Based Industry and Annual Factoring Industry survey.

While fraud can occur with any type of business or financial transaction, factoring is an area that's particularly ripe for abuse. That's because it is relatively simple to falsify invoices and accounts receivable records.

## Promises of healthy returns on investments

"In May 1996, with no background in complex financial transactions or other banking experience or knowledge, Karst attended an eight-day course in factoring," according to 2007 court documents filed in Weld County.

Several years later, "seeing an opportunity to make significant money," Karst decided to dive into the factoring business, those documents say. In 2001, he formed Nationwide Cash Flow Specialists, referred to in court documents as "NCFS."

The factoring firm went about gathering investors with promises of

annual returns of 12 percent or higher.

Not long after Nationwide was formed, Karst began to worry about regulatory scrutiny because he was issuing too many non-accredited investments. The U.S. Securities and Exchange Commission under federal securities laws limits the number of non-accredited investors for each factoring entity to 39. To prevent the SEC from sniffing around too closely, Karst began forming separate independent factoring companies, known as IFCs. Each of the nine IFCs "would not have more than 35 non-accredited investors," court filings show.

"The IFCs were simply an instrument for soliciting investments in the single enterprise without becoming subject to securities regulations," according to those documents.

Blue Bear started business in late 2003 as 1st American Factoring LLC. According to contracts dated 2004, Karst formed Blue Bear — then 1st American — with assistance from local consultant Russell Disberger in order to serve as a broker for the IFCs. Companies controlled by the two men were part owners in Blue Bear. Other owners included Don and Kris Donahoo, Gerald and Peggy Makey and Steven Short.

Disberger, who now runs the consulting firm Aspen Business Group, told BizWest that he and Short were "sucked in and drug along" with the enterprise without knowledge of the underlying scheme.

There is a Linked In profile for a Steve Short in Idaho who is program manager at payroll firm Paylocity. He lists his past experience as a partner with a company called Blue Bear Marketing.

Darin DeVoe, who owned Windsor-based Home Owners Solutions LLC and The DeVoe Group LLC, is thought to be one of the original architects of the Blue Bear scheme. DeVoe, who was indicted on securities fraud in 2007 and remains on the run from the authorities to this day, is alleged to have been paid by Blue Bear for early legal fees and research.

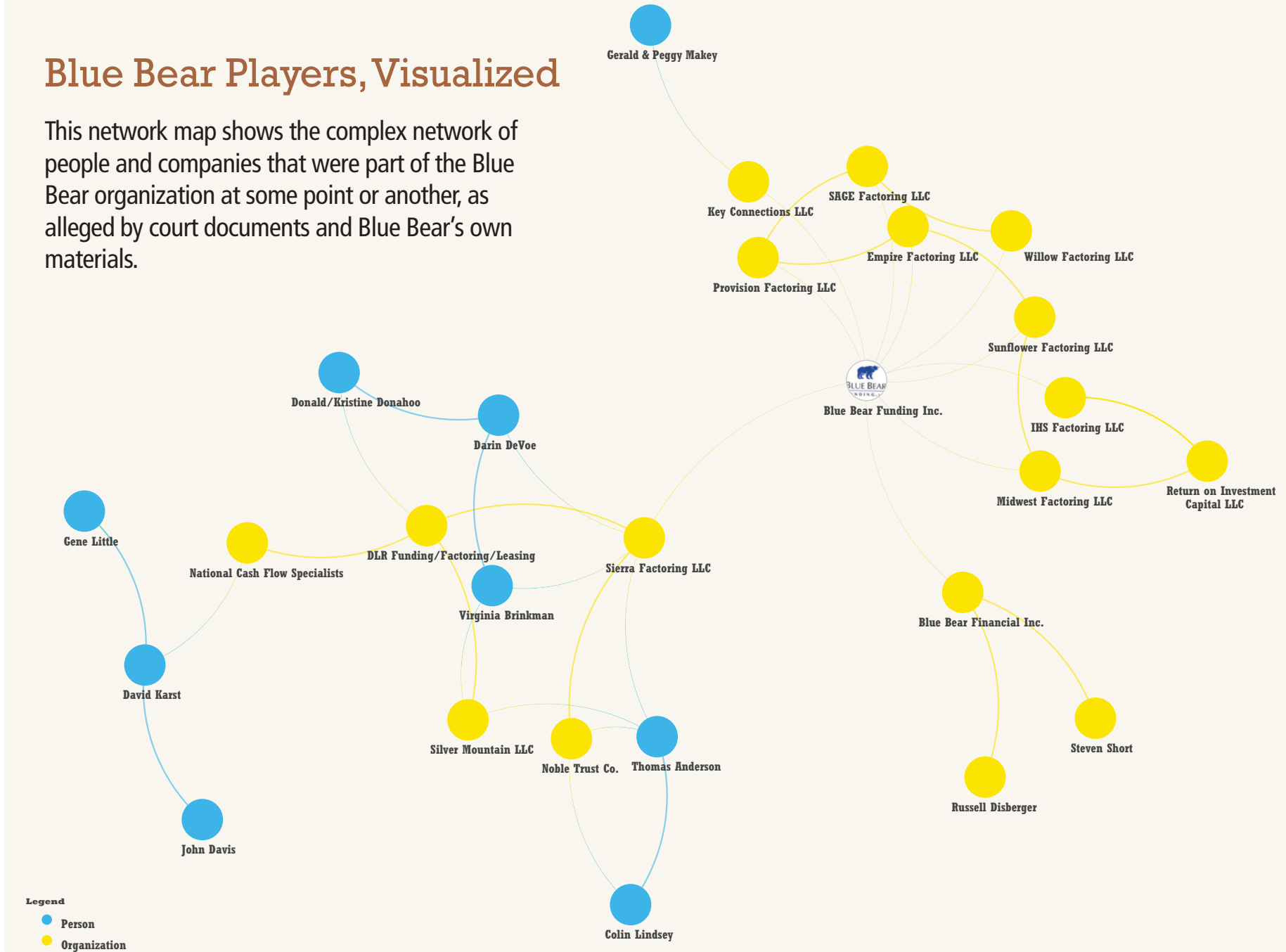
DeVoe's involvement with Blue Bear appeared to end at its early



# Blue Bear Players, Visualized

This network map shows the complex network of people and companies that were part of the Blue Bear organization at some point or another, as alleged by court documents and Blue Bear’s own materials.

Legend  
● Person  
● Organization



stages, but that involvement would prove to be significant. Virginia Brinkman, who set up Sierra Factoring LLC, also acted as the manager of DeVoe’s Home Owners Solutions, according to Colorado business registration documents. Sierra was one of Blue Bear’s IFCs. Brinkman likely still lives in Northern Colorado — she voted in Larimer County as recently as 2018.

Once up and running, “Blue Bear then raised enough initial capital to purchase all of the assets of [Nationwide Cash Flow’s], the proceeds of which were paid to [Nationwide’s earlier] investors,” according to court documents. “The assets received by Blue Bear, however, were non-performing accounts receivable and loans that were ... transferred to one or more of the IFCs.”

This is the turning point of the scheme: the firm was paying out early investors with new investors’ money and taking on essentially worthless accounts receivable.

“Almost from inception and unbeknownst to investors, Blue Bear and the IFCs ... were insolvent,” according to court documents. “As new investments were made, existing investors were paid regardless of which entity they had invested in, and new investors were sought to pay the previous round of investors...”

Funds to pay those previous investors were raised by new investors, according to a 2006 Blue Bear financial disclosure statement. “In short, the birth of a Ponzi-type scheme.”

Blue Bear formed an investment committee to review and approve funding and other investment decisions. But “Karst would regularly invest and direct” company funds “without consulting such committee,” the disclosure statement said.

Ponzi schemes are by their very nature unsustainable over long periods of time and by the end of 2004, Blue Bear was running out of cash.

John Davis, who joined Blue Bear in 2004 as a broker, became the firm’s chief operating officer in early 2005. He soon began making a series of startling discoveries.

According to BizWest reporting from 2006, Davis found:

- Incomplete client files, including a lack of information on Blue Bear’s security interests or lien positions.
- The IFC monthly earnings statements prepared primarily by Karst on an accrual basis did not reconcile to the existing accounting records of Blue Bear.
- Entries in the general ledger that had no supporting documentation or explanation.
- The 2003 audit was not completed, so no financials had been prepared

or generated.

- Several major accounts were non-performing.
- All Blue Bear funds were being commingled in one bank account.
- There was no credit limit on the existing accounts.
- The IFC executive directors did not know what accounts they funded and to what extent.

In mid-2005, Davis brought Fort Collins-based accounting firm Sample and Bailey to help him get his arms around the problem.

It was then the extent of the scheme began to seep out and ultimately unravel, leading to Blue Bear’s bankruptcy.

It’s unclear what Davis is up to now, but there is an active Linked In account for a John Davis who worked for Blue Bear from 2004 to 2009. That account indicates Davis lives in Illinois.

## Related cases

The story doesn’t end with Blue Bear’s bankruptcy, and the web of related schemes stretches from Northern Colorado to New Hampshire.

One of Karst’s early investors with Nationwide Cash Flow was a company called Managed Cash Flow, operated by Gene Little.

Fort Collins-based Managed Cash Flow operated as an investment vehi-

cle, bringing on board more than 400 investors with promises of healthy returns.

Little, whose Linked In account suggests he still lives in Fort Collins and works as a project manager at Shoenberg Farms Commercial Center in Westminster, was indicted in 2007 in Colorado on 42 counts of securities fraud and one count of theft related to Managed Cash Flow’s investments.

The indictment charged that Little actually invested a tiny fraction of the roughly \$11 million he solicited from investors in Nationwide Cash Flow. The rest of the money was allegedly used to pay the promised 15 percent return to MCF investors and to pay Little’s company.

In 2008, Manchester, New Hampshire-based investment outfit Noble Trust Co. went belly up and the state’s banking department took control of its operations after allegations surfaced that it had hidden \$15 million in lost investments.

Who, according to Noble president Colin Lindsey, was responsible for losing all that money? Well, the Blue Bear and Sierra Factoring folks, naturally.

Lindsey was sentenced in 2009 to 51 months in prison for the development of his own Ponzi-like scheme in which he lured in new investors to pay off the \$15 million he lost investing in the Colorado firms.







General at the time and now mayor of Colorado Springs, and Richard Powers, then the FBI Denver Bureau’s special agent in charge. Troy Eid, the U.S. Attorney for Colorado from 2006 to 2009, said all federal investigations are confidential unless announced. He declined to comment.

Gerald Rome, a deputy state securities commissioner in charge of enforcement at the time of Blue Bear’s downfall, said the office was aware of David Karst, but couldn’t comment further about any specific investigations due to confidentiality.

Speaking hypothetically, Rome said the Colorado Securities Commission refers targets for investigation to law enforcement only if there’s a good-faith belief that the case would hold up in criminal court.

Specifically, a securities fraud case generally needs to show that a defendant was lying or stealing from clients, or was involved in some level of self-enrichment by committing fraud.

“In a lot of these cases, the bad actors are paying themselves a salary, like \$100,000 a year or something,” Rome said. “For a criminal case, you really have to show these self-dealings.”

William Leone, the U.S. Attorney for Colorado from 2004 to 2006, and Ted Faul, a retired FBI agent living in Windsor and a known agent on the case, did not respond to BizWest’s queries.

Buck was not made available for an interview even after repeated attempts.

Has the window passed?

In Colorado, almost every felony outside of murder, treason and sexual assault against a child has a three-year window for prosecution under the state’s statute of limitations. Because Blue Bear started operations in 2003

and the state statute of limitations starts as soon as a felony is committed, it’s possible the last opportunity to charge anyone with theft or securities fraud ended in the late 2000’s to the earlier half of this decade.

However, there is no statute of limitations in Colorado for any type of forgery.

The federal statute of limitations for most crimes is five years.

“A product of the time” and fighting Ponzis today

Leo Weiss, a former trial lawyer for the U.S. Bankruptcy Trustee in Denver and one of the attorneys involved in Blue Bear’s bankruptcy, told BizWest that investment frauds were easier to run in the years before the 2008 financial crisis because of the economy’s laissez-faire attitude toward investment vehicle structures.

“Pre-2008, a lot of things were rather more loosely regulated, and everyone thought the economy was just going to go dynamite and lots of dubious practices were done,” he said. “Well, 2008 hit all of a sudden, regulators went ‘oops’, and the noose got tightened on a lot of practices.”

Weiss couldn’t comment as to why Blue Bear principals were not charged by federal authorities, but he did say the U.S. Attorney and Colorado Attorney General were aware of Karst.

Fred Joseph, the former Colorado Securities Commissioner at the time, disagreed with Weiss’ take. He said investigating Ponzi schemes are inherently more difficult than other types of fraud because investors always make some money in the early periods of the scam and are adverse toward government intervention ruining a profitable investment. Often times, regulators won’t even know about some schemes until after

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| 6/9/2006         | Blue Bear bankruptcy swirls on                                       |
| 8/4/2006         | Blue Bear fights to reorganize                                       |
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it falls apart.

That pattern has fit Ponzi schemes before, and despite history’s lessons from schemes as local as Northern Colorado to as large as Bernie Madoff’s, Joseph believes these frauds

will continue to form, fall apart and ruin financial futures.

“It’s the darndest thing; it just keeps happening,” he said. “It’s probably happening as we’re speaking right now.”

...and fails

Pelican sends a letter to shareholders saying it plans to dissolve and liquidate because it can’t meet any of the benchmarks set in its previous Chapter 11 plan.

New Hampshire group goes after Blue Bear

Balcarres Group, an entity formed by New Hampshire-based financier Colin Lindsey, sued Blue Bear and its sister companies for fraud. The case was dismissed in Colorado after New Hampshire banking officials filed their own case against Lindsey, who was sentenced to 51 months in federal prison in 2009 for running his own ponzi scheme to cover the losses incurred by Sierra. To date, he is the only person BizWest has identified who was imprisoned for his role in the case.

Judge orders Karst to pay out

The court in Blue Bear’s adversary case against Karst’s bankruptcy rules Karst has to pay \$2.44 million in damages. It would later rise to \$5.1 million, but internal documents from Pelican show it had difficulty finding his assets. The court also made a judgment against DKD Factoring for \$161,036, which was paid out from the sale of the Donahoo’s other interests.

Blue Bear’s suit against Karst and co. closed

The court closes Blue Bear’s case against David Karst and others involved in the company’s formation after granting the company several judgments in favor.

The trust dissolves

10 years on from the sending of that letter, the Pelican Trust supposedly folded and sent its final distributions to shareholders.

Blue Bear creditors sue Karst and co.

The committee representing unsecured creditors for Blue Bear sue David Karst and several company insiders to recover losses from those founders.

Devoe indicted

A Weld County grand jury indicts Darin DeVoe on 11 felony securities fraud and theft charges. He fled and remains at large and wanted by county authorities.

Pelican becomes a trust

Pelican’s board tells shareholders that it has removed itself from bankruptcy court and is becoming a trust that will collect litigation dollars and distribute them over the next 10 years.

Source: Dan Mika, Business Report research. Graphic by Bernie Simon





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Sharon Prior Moore, one of the investors in Blue Bear who lost large sums, stands in front of the building in Windsor that at one time housed Blue Bear.

# Pain and questions linger for investors

By Dallas Heltzell

news@bizwest.com

They just want closure. They want it to be over.

About 420 investors lost a little more than \$20 million to a Windsor-based factoring company that went bankrupt. Fifteen years later, most of them still don't want to talk about it. Some did initially but then asked that their comments be withheld.

Their words were similar.

"I just want to move on."

"It was all my fault. I made a bad decision."

"Putting it behind and forgetting it is the best thing we could do."

"It's over."

Mary Sue Brighi is one for whom the pain lingers. She and her husband, longtime Greeley chiropractor Dr. Richard Brighi, had invested life savings of \$407,000 with Blue Bear Funding — and lost it. Brighi led a committee that helped devise a reorganization plan for the bankrupt company but he and his wife had to put their home up for sale.

"Personally, there's not much I can do. I've accepted it," he told the Greeley Tribune in 2006. "My wife and I didn't have anything when we started. We talked things over and decided we're just going to go on with life. We still have our kids and grandkids, so that

means a lot to us. Our retirement is gone. Just hope for the best. That's all I can do."

Brighi passed away in September 2018, and the pain his widow feels still is evident.

"It was just horrible at the time," she said.

But for school teacher Sharon Prior Moore, who lost \$80,000, recounting the tale allowed her to vent her continued frustration with attempts to recoup some of the money that Mary Sue Brighi described as "a dead-end street."

Some — like Beverly Sue Ambrose, Thomas Dannatt and Donald Derr — just figured it was a good investment. Ambrose and her family eventually claimed losses of more than \$252,000, and Dannatt and his wife lost more than \$30,000. Donald and Jacquelyn Derr invested an inheritance they'd received plus his entire retirement fund after working as a street supervisor for the city of Greeley; they lost more than \$216,000.

But for Moore, just emerging from a divorce in 2004, investing with Blue Bear was a way to help keep a roof over her head. She was waiting on a property settlement to figure out how much money she could put down on a place of her own.

"In the meantime, I was talking to Don Donahoo, who I knew through

school and church," she said. "His mother, Nancy, lived across from the house I was looking into purchasing in Eaton, and I was just asking her financially what the homeowners' association fees were going to be like in those patio homes — there's 21 patio homes where I live. She said, 'Well, I need to have you connect with Don and maybe he can get you involved in this factoring he's involved with in Blue Bear, and maybe that can help generate some income in that investment that will help you with your house payments.'"

Donahoo explained the concept of factoring and said her investment would return 10 percent to 12 percent interest.

"My divorce settlement came in around \$175,000 to \$180,000. I determined that if I put X amount on my down payment and invested \$80,000 with Blue Bear — Sunflower at the time — that that would provide me a minimum of \$800 a month to help with my house payment. That was going to take a lot of pressure off."

She described Blue Bear as an umbrella, with 13 smaller factoring companies dangling under it — Sunflower was one — that had hired Blue Bear to manage their accounts. But those independent directors had to raise certain amounts within six months and \$1 million within a year

— and if they couldn't, they'd be shut down and had to transfer their investors' money into other factoring companies that could meet the quotas.

Moore didn't go into the deal without questions, but "I was given the foundational idea of factoring dating clear back to colonial times. It was a quick turnaround for somebody who needed to borrow a lump sum for a short time," she said. "They would put up some collateral and we would lend them the money, but it would just be for a short amount of time. It wouldn't be like long term. That's how they got the higher rates. From what I understood after the fact, being single, I had a hard time grasping this, but I saw the people involved in this and I trusted them. I relied on my faith. I prayed a lot. I just felt like this was God's way of saying, 'I'm going to take care of you. You'll have a little extra and it's going to be OK.'"

Ambrose had known Donahoo's father, Bill, from working with him at US West. "I just decided that Bill and Nancy were heading me the right way," she said. "After I invested and my Mom felt like it was a good deal, she invested a little bit too, as a trust-type thing for her eight great-grandchildren."

Those big initial returns were exhilarating.

"I'd get notification of how much my money was increasing in value,"





Jacquelyn Derr said. “I started out investing \$150,000” and within a year was told their pot had grown to more than a quarter million.

“When somebody promises you 14, 15 percent on your money, that’s greed,” Dannatt said, “and it turned around and bit us in the butt. So everybody learns.”

He had even pulled \$16,000 out to buy a Buick.

“I really considered mortgaging my home and taking everything out that I could in equity and investing it like Donnie and his mother did,” Dannatt said. “Luckily, I had enough sense not to do it. But my wife and I quickly doubled our money. When you’re making 14 percent, doubling your money is fantastic — if you can get it back.”

In December 2004 or January 2005, he said, he got a letter from the Blue Bear plan’s administrator, “asking if I wanted to pull out all my funds or leave them in there. My decision was, we were making about 13 or 14 percent on our money, so I’ll leave it in there.

“I’m like anybody else. I was greedy,” Dannatt said. “And then, lo and behold, he declares bankruptcy.”

Moore was so happy with the more than \$800 a month she was receiving that she not only encouraged friends and neighbors to invest as well but also decided that the inheritance she had invested in funds managed by Paine Webber wasn’t returning enough.

“So I saw Don over at his mother’s house” — Nancy Donahoo worked in Brighi’s office — “and we met right in the middle of the street. I asked him if

I could invest the money from Paine Webber in Blue Bear,” Moore said. “At that time, he told me there was a problem and I needed to not do any more. He said, ‘The money’s gone.’”

Emotions flooded in for Moore.

“I just went through all kinds of things,” she said, and listed them:

“Fear. Am I going to be able to make my house payment now? Am I going to lose my home?”

“Regret: Well, I should have listened to my broker at Paine Webber when he said it sounds too good to be true.

“Thankfulness that Don hadn’t let me invest more.

“Worry that I was going to lose some friends that I’d corralled into listening to the presentation.

“I was also feeling stupid,” she said, “but after the collapse we started meeting in large groups, and I’d go to those meetings and look around at all these other people in the community who I viewed as being very smart, solid people — and they were taken by it too.”

A grocer lost \$110,000. A woman put her inheritance in and lost \$200,000; “she’s very, very angry,” Moore said. Another resident of the patio homes lost \$126,000. Yet another lost more than \$1.295 million and her home.

“It wasn’t just dumb bunnies who got into it,” Jacquelyn Derr said.

That word “stupid” kept coming up in interviews with the jilted investors.

“I felt stupid because I had lost basically my entire retirement,” Ambrose said. “I was so hurt, I had boxes of documentation, all the stuff that was mailed to me over the years. But you’ve lost everything. What’s the use of keeping it? I just got rid of it. I think I was so hurt, so upset with myself that I had been stupid enough to get into something like this and hadn’t gotten out when I had the chance. I had lost money on a previous investment, and I just felt like a stupid person who keeps making stupid decisions.”

The Derrs discovered Blue Bear’s collapse when their 50th wedding anniversary was approaching and they wanted to withdraw some money to buy a car.

“They said we couldn’t because the account was ‘impaired.’ I’ve never heard of an impaired account,” Jacquelyn Derr said. “It was impaired, all right. It must have gotten run over.

“I was sick to my stomach,” she said. “They took us to the cleaners really good. It was like a Bernie Madoff scheme. It’s a sickening feeling, like the world had almost stopped, to find out that everything you’ve invested was gone.”

“I’ve been in shock for a very long time over it,” added Moore. “I tried to put it out of my mind. I would watch my neighbors being devastated, being angry. Growing up in that small town of Eaton, everybody knew everybody.”

Moore said Donahoo tried to explain to her that “the guy at the helm overrated the collateral. It might have only been worth \$12,000 and they said it was worth \$200,000. The inflation of the collateral was what did us in.”

The investors tried to work through attorneys to recoup funds from a trust

## “They took us to the cleaners really good. It was like a Bernie Madoff scheme”

Donald Derr

that was formed from the bankruptcy liquidation, but Moore was left with little more than questions:

“How about the team of Denver lawyers that took all that money from us? We paid all that money from the trust or whatever the heck it was. Where are they and what happened there? It seems like they swooped in — they all looked fabulous like on a TV show, and then they were gone, and then we were like, ‘Did you do anything or did you just take the money?’ We would have been better off not having those lawyers and just divvying it up among all of us.”

And what of the criminal investigations?

“How are things not on the record? When I made all those calls — the DAs from everywhere, the attorneys, FBI — they looked on their little computers and — oh, there’s just not anything. How is there not stuff recorded?”

Ambrose remembers receiving “stuff from the FBI that I had to fill out and send back, but as far as I know, nothing was done.”

In May 2009, investors received small distribution checks — Ambrose called it “pennies on the dollar” — and a letter that said \$5,000 from the bankruptcy liquidation was in a trust that would cover administrative costs but also receive whatever funds that could be gleaned from litigation against the scheme’s instigators. At the end of 10 years, the letter said, those funds would be distributed.

It’s been 10 years.

One of the investors, Moore’s friend Rose Francella, who claimed a loss of more than \$50,000, wrote to the lawyers administering the trust on Oct. 9. She requested a copy of the trust document, an update on the money that was to be distributed in May when the trust was dissolved, and a prompt response.

At press time, the investors have gotten none of that.

Moore said she is somewhat fearful of the response that will finally come: “What if we owe money?”

“They’re not going to get anything from me,” Dannatt said. “I’m so broke I can’t even pay attention.”

Moore still lives in her Eaton patio home and just retired after 32 years of teaching elementary-school classes in Kersey — but ripples from her financial loss remain.

“I had to find a little part-time job” at the front desk of Eaton’s recreation center, Moore said. “I’m working part time just to fund my health insurance. I wouldn’t have had to do that if I hadn’t lost all that money. I wouldn’t owe as much on my house and my payments wouldn’t have to be so big. I refinanced eight years ago.”

Derr and his wife had to keep working as well; they both do lawn maintenance and she teaches piano.

“We’ve worked awful hard to get money back in the till. We’re up in years now where we really need that,” she said. “We were both ranch raised, so we knew how to kick in and work.”

Dannatt, who started at the telephone company as a janitor and retired in 1990 as an engineer, has returned to his custodial roots at a local church and also does work for neighbors.

Between Blue Bear and another investment, “I lost my entire savings, \$130,000,” said Dannatt, who will celebrate his 77th birthday in January. “I was kind of down, but what the hell? They weren’t taking food out of my month. I try to stick a little in savings every month, and last December I invested in some utility stocks through my credit union. I’ve still got a roof over my head and food to eat. We’ve lived in the same house for 44 years.

“I’m not a person who wants to take a trip around the world. As long as I can live comfortably, I’m happy.”

Moore wonders whether she has worked through all the emotions she needs to. “Maybe there’s still some there,” she said, “but I’ve still never been through the denial, the anger. I’m still like, ‘Oh, well.’”

Most of the investors contacted by BizWest have no animus toward Donahoo, especially since he and his family sustained substantial losses as well.

“I don’t want to blame Don, although I know a lot of people in Eaton have turned their back on him,” Moore said. “I’ve never tried to blame Don. He was very involved with our Evangelical Free Church in Eaton. There were missionaries from our church who were involved in Blue Bear. Lots of families were hit by this. When I see him I’m friendly toward him. He lost his home, his vehicles. His mother lost her home. Maybe it would be different if he were still out there in his beautiful home, but he lost quite a bit.”

Other investors echoed Moore’s kind words about Donahoo.

“I don’t think Donnie did anything wrong,” Ambrose said. “I trust Donnie as far as I can throw him, and that’s a long ways. I know Donnie and his family, and I know Donnie didn’t do this to us. When I see Donnie, I give him a hug and a kiss, because I trust him. If I had \$150,000 to give him to invest, I’d do it again.”

“Not me,” countered Dannatt. “I have no blame on Donnie. He was hoodwinked and sold a bill of goods just like the rest of us, thinking it was a good thing. He and his mother lost a lot like the rest of us. But I found that the best way to double my money was to fold it in half and put it under my mattress.”

The Derrs haven’t reinvested either — not even in the stock market, Jacquelyn Derr said.

“We’ve got some cattle on the place,” she said. “As long as they’ve got four legs under ‘em, that’s all the stock we need.”

# Brewers ponder the future after New Belgium sale

By Dan Mika  
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BOULDER — Hours after New Belgium Brewing Co. dropped a surprise announcement about its sale to an Australian beer conglomerate, a handful of Boulder Valley brewers gathered at BizWest’s Boulder Valley Brewing CEO Roundtable and debated what that means to the craft brew industry at large.

## The New Belgium-sized elephant in the room

New Belgium did not disclose how much the deal was worth, or why exactly its ownership decided to sell. That led to some speculation about what was going on at the fourth-largest craft brewery in the U.S. in the run-up to the sale.

Shawnee Adelson, executive director of the Colorado Brewers Guild, said the recent trend of major breweries in the state selling to beverage conglomerates, like Breckenridge Brewery to AB InBev (NYSE: BUD) and Avery Brewing Co.’s minority stake sale to a Spanish group, shows there’s pressure on regional breweries stuck between the profitability of maintaining taprooms and trying to reach a wider audience.



Participants in BizWest’s Boulder Valley Brewing CEO Roundtable. From left: Dale Reeder, Railsend Beer Co.; Drew Mattox, Plante Moran; Davin Helden, Liquid Mechanic Brewing Co.; Bob Baile, Twisted Pine Brewing Co.; Mark Changaris, Berg Hill Greenleaf Ruscitti; Abigail Intolubbe-Chmil, Asher Brewing Co.; Jeffrey Green, Very Nice Brewing Co.; Chad Melis, Turn It Up Media; Shawnee Anderson, Colorado Brewers Guild; Michael Memsic, Sanitas Brewing Co.; Dale Katechis, Oskar Blues Brewing.

“If you think about it in terms of how many breweries are opening up, that has to be across all of our small breweries, so some of our regional

breweries aren’t growing as fast as they used to,” she said. Liquid Mechanics Brewing Co. CEO Davin Helden pointed to a line in New

Belgium co-founder Kim Jordan’s letter announcing the deal that suggested some of the fundraising options it had available weren’t congruent with being an independent brewer, and it’s possible New Belgium sold to get the capital it needed to survive. “I think a lot of larger breweries that are also getting bought up are also in the same boat,” he said. Bob Baile, owner of Twisted Pine Brewing Co., suggested co-founder Kim Jordan and other family members decided it was time to exit the industry, particularly at a time where competition is stronger than ever before. “I like to tell people when they ask how business is or how the craft beer industry is going, I tell them the pie is getting bigger... but your slice is not growing proportional to what the pie is.”

## Finding the magic and scaling up

So with three major brewery acquisitions in the past few years, has the craft brewing market shifted to the level where it’s not sustainable to operate as a mid-size regional brewery? Dale Reeder, founder of Railsend Beer Co., said his company’s financial modeling shows the return on investment for selling a batch of beer in distribution pales in comparison to

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selling it in a brewery's own taproom.

"The price you're able to sell it for doesn't scale the same in my opinion," he said. "If you can take a full batch of beer in a taproom, you can make almost \$20,000 on that, but outside? About \$2,500 when you factor in labor, self-distribution, van costs, keg costs, everything. So why are we working so hard for \$2,500?"

Oskar Blues Brewing founder Dale Katechis said it's possible to strike a balance between being a small brewer and a national craft player, despite revenues not scaling up proportionally when a small brewery looks to create beers that are more expensive or tries to start its own distribution.

"At the end of the day, it comes down to trying to figure out what magic you have and the next guy doesn't have," he said.

Sanitas Brewing Co. owner Michael Memsic agreed, but said that success is more dependent than ever on a slew of factors out of the hands of an owner.

"I think it can happen, but you have to have everything right," he said. "You've got to be well-funded, you've got a killer team and you're part of a community that is really thirsty for you. It can still happen, but it's going to be a lot harder to make that happen, harder to hit home runs in this next era than it was to hit home runs 10 years ago."

But Jeffrey Green, owner of Very Nice Brewing Co. in Nederland, said there's plenty of space for small brew-

ers to set up shop in underserved areas, but doesn't see how a brewery can both maintain its charm to locals that go to taprooms that serve exclusive brews while expanding its taproom or distribution radius.

"In this time and place, I'm not saying lightning (cannot) strike... but is it scalable? Is it linear? You're this size and you've still got that magic? Can you then create a nationwide distribution of that magic, if you will? Or are you lessening that by not being as unique anymore, not being as local?"

### **Selling out and community pride**

The brewers also lamented a strange attitude in the craft industry, where owners are labelled "sell-outs" for selling a popular brewery to a large conglomerate, while that would be considered a successful exit for almost any other industry.

Memsic said he still "gets a cringe" whenever he hears of a craft brewery that sells to AB InBev, but other than that, he believes there's plenty of valid reasons to sell a brewery, especially fatigue after years of building a company.

He also doesn't think beer drinkers don't care all that much about whether their beer was made by an independent, and that realm is more important to the craft beer-obsessed.

"We're all sitting here talking about New Belgium and being like 'oh my gosh, this is nuts,' but does Joe Sixpack

give a (expletive)? He's going to buy a six-pack of Blue Ranger tomorrow and enjoy it," he said.

However, craft brewing is a different beast than other industries because of the pride it generates in the community it's based in. Adelson said Breckenridge residents were concerned about the fate of Breckenridge Brewery after it was nearly evicted from its taproom over the summer, despite most of its actual brewing being done in Littleton and being owned by AB InBev.

Chad Melis, founder of marketing firm Turn It Up Media, said that community pride is especially strong in small towns where brewing startups are setting up.

"The brewery becomes part of the social fabric, and that's where people meet and tell stories," he said. "... Sometimes people feel like you sold out or whatever because it's like a personal place for them and their community, which is part of the beauty of getting to do this, is we get to be that social fabric."

Even then, becoming part of a conglomerate isn't necessarily a death knell to people dedicated to a brand. Abigail Intolubbe-Chmil, operations manager at Asher Brewing Co., said nearby Avery Brewing's renovation from its first taproom to a "beer castle" doesn't dilute the goodwill customers have for the beer itself.

"If someone wants Maharaja (IPA) from Avery, they're still going to go to

Avery and get that beer because they love it," he said.

### **Cost of business pressures**

While New Belgium's sale has shaken the state's craft beer landscape, Adelson said there are currently just over 400 active breweries in Colorado and that figure has steadily risen.

However, the cost of doing business is also increasing, which is forcing owners to figure out how much they can charge for a beer or a burger at their establishments, especially if other nearby competitors aren't raising their prices for a comparable meal or beverage.

"I will have to challenge the consumer to pay more," Katechis said.

That's further complicated by the state's increasing minimum wage, which will reach \$12 per hour next January and be adjusted for inflation in the following years. Denver is proposing to raise that minimum to \$15 per hour, which drew a lawsuit threat from the Colorado Restaurant Association late last month.

While tipped employees are only paid a base rate of \$8.98 per hour, Memsic said his bartenders can make upward of \$40,000 a year in tips. That means a lot of potential employees are asking for bartending jobs instead of back-of-house jobs.

"No one wants to be a brewer, because you don't make as much as you do selling the beer that was just brewed," Memsic said.

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Executives from the natural and organic product industry gathered in November for BizWest's CEO Roundtable. Those participants included (from left): George Berg, founding partner, Berg Hill Greenleaf Ruscitti LLP; Jared Crain, partner Berg Hill Greenleaf Ruscitti LLP; Tom Spier, founder and managing partner, Boulder Food Group; Vincent Love, chief operating officer, Sunrise Strategic Partners, Ashley Cawthorn, marketing director, Berg Hill Greenleaf Ruscitti LLP; Sam Hunziker, CEO, WishGarden Herbal Remedies; B.J. Howard, chief operating officer, Made in Nature LLC; Alex Cioth, CEO, Claremont Foods LLC; Doug Brent, CEO, Made in Nature LLC; Jonathan Fox, president, Eco Vessel LLC; David Whelan, senior vice president, Community Banks of Colorado; Bob Bond, partner, Plante Moran; Christopher Algea, CEO, Keen One Foods.

# Retailing changes for natural/organic industry

By Lucas High  
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BOULDER — How much should I focus on selling my product directly to consumers versus brick and mortar retailers? Should I look at e-commerce giants such as Amazon as sales channels or a marketing opportunity? Boulder is a natural and organic prod-

uct mecca, but can I afford to set up shop there given the extremely tight labor market and ever-rising rent? These are the questions on the minds of the leaders of the Boulder Valley's natural and organic industry, who gathered in Boulder to participate in BizWest's Natural and Organic CEO Roundtable. "We're all facing a changing retail

landscape, a changing competitive landscape, and we're all facing the practical pressures from costs increasing and revenue being capped," Made in Nature LLC CEO Doug Brent said. "It's an interesting time to be in the natural foods business as more people see opportunities and try to jump in." As more firms — both startups and established consumer packaged

goods players — enter the already crowded marketplace, natural and organic companies must devote more time and energy to "finding ways to stand out on the shelf and finding the right margins," Made in Nature LLC chief operating officer B.J. Howard said. Doing business is complicated not only by the number of companies

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involved in selling organic products, but also the variety of outlets where and how products are sold.

"It's gotten so much more competitive online, especially in our industry because the barriers for entry are relatively low," Eco Vessel LLC president Jonathan Fox said. "... Brands have really shifted toward going after customers online and getting sales directly."

Online retailers such as Amazon provide not only a platform for the natural and organic industry makers to sell products, but also a platform for consumers to discover and review those products. But relying heavily on third-party sales channels can quickly eat away at a firm's profits.

"Amazon has become the Google of product investigation," Brent said. "You can't not be there."

Companies that sell on Amazon must decide whether they want to operate a "seller central" or "vendor central" sales model. The seller central model involves the sale of goods directly from the producer to the customer. Under the vendor central model, Amazon's distribution teams buys a firm's wares and resells them to customers. Each option involves its own pros, cons, costs and complications.

"To make it work selling on Amazon, you really have to do your homework and know your stuff," Keen One Foods CEO Christopher Algea said.

While some of the natural and organic products industry's challeng-

es are unique, it's not immune to economic factors that impact many other industries: trade wars, real estate prices and the tight labor market, for example.

"It's a good time to be a little bit more conservative in terms of planning ... [because] there could be some headwinds coming our way," Boulder Food Group founder and managing partner Tom Spier said.

WishGarden Herbal Remedies Inc. CEO Sam Hunziker said his firm, like so many others in this ultra-low unemployment environment, "definitely has some concerns about the labor market here in Boulder."

Boulder's sky-high commercial real estate prices are also a challenge for the industry.

"First it was the cannabis guys and now it's the CBD and hemp guys" who are gobbling production and warehouse space in the region, Claremont Foods LLC CEO Alex Cioth said.

Companies in search of large industrial spaces are frequently looking to areas such as Broomfield or eastern Boulder County rather than within Boulder or Longmont city limits.

"How far out of Boulder can we be where we can still attract talent?" is a question leaders of these firms are asking themselves, Sunrise Strategic Partners chief operating officer Vincent Love said.

BizWest CEO roundtables are sponsored in Boulder by Berg Hill Greenleaf & Ruscitti LLP, Plante Moran and Community Banks of Colorado.



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# Developer to build 55+ apartments

By Dan Mika

dmika@bizwest.com

GREELEY and WINDSOR — The developers of a housing complex for adults 55 and older in Windsor are planning to build a smaller version on the former Garnsey and Wheeler car-dealer lot in downtown Greeley.

Brad Florin, CEO of L3 Development LLC, told BizWest the property on the corner of Eighth Avenue and 11th Street is planned to make way for a four-story apartment-style building with space for 85 residents dubbed “55 Resort.”

Florin said the company is trying to fill a housing gap for people who are close to retirement age and don’t want the responsibilities of maintaining a home, but don’t need the support of an independent-living or memory-care facility.

He’s banking on the expected growth of that demographic as the Baby Boomer generation begins to enter retirement en masse, and retirees in particular who are relocating to the Front Range to be closer to their children or grandchildren or want a “lock-and-leave” living situation so they can travel regularly without worrying about upkeep of their property.



COURTESY L3 DEVELOPMENT LLC

A rendering of the planned 55 Resort development on Greeley's Eighth Avenue. The 85-person complex is slated to start construction next spring.

The 171,000-square-foot, three-story 55 Resort in Windsor has amenities reminiscent of an upscale college dormitory: open communal spaces, a theater room, multiple fitness rooms and a gaming parlor complete with a Star Wars-themed pinball machine.

Florin said the goal is to create a sense of community for the residents, as many are single women who outlived their spouses.

“This is all about socialization,” he said. “The college dorm experience is all about socialization, and that’s what

we’re doing here, but for a different age demographic.”

Florin first began looking at the Garnsey and Wheeler land last spring, when he was introduced to employees at Richmark Real Estate Partners LLC and the company’s plans for a series of major redevelopments along downtown Greeley’s Eighth Avenue. While that will have fewer in-house amenities, Florin believes that property can attract tenants who want easy access to the restaurants and nightlife downtown.

Construction is expected to begin in Greeley next spring and open for residents in spring 2021.

Twenty units are currently occupied in the \$29 million Windsor project, but Florin expects the property to fill up within the next year and a half as more of the U.S. population reaches retirement age.

The rents at the planned Greeley building will average \$1,900 per month, with all utilities except for phone landlines included, compared with the \$2,175 average price in the Windsor location.

Florin and his partners are also planning to build a 55+ Resort in Scottsdale, Arizona, in the near future.

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KEN AMUNDSON / BIZWEST

More than 500 people gathered for the annual Boulder Valley Real Estate Conference November 21, 2019 in Boulder.

# Realtors expect 'gentle growth' in 2020

By Ken Amundson  
kamundson@bizwest.com

BOULDER — Both residential and commercial real estate agents expect stability in the Boulder Valley real estate market as the new year approaches, with the potential for “gentle growth” in all sectors of the commercial market.

Lynda Gibbons, president and managing broker at Gibbons White Inc. commercial brokerage and Todd Gullette, managing broker at ReMax of Boulder, spoke at BizWest’s Boulder Valley Real Estate Conference Thursday at the Embassy Suites in Boulder.

## Commercial seeing new developments

Google, which established a big presence at 30th and Pearl Street in Boulder with two phases totalling 200,000 square feet of office space, continues to gobble up space in the community, Gibbons said. She said it will assume all the space at the Reve Boulder development, which is near the Google Boulder campus. As originally planned, the Reve would have 120,000 square feet of offices and apartments.

Gibbons said that the University of Colorado-Boulder continues expansion with new buildings, from low- to high-rise.

“The way they do it creates an intricate fabric of functional buildings,”

she said. “Boulder needs to get over its fear of high-rise development.”

She also said the 250-room hotel to be built on the CU campus on Broadway, to be open in late 2022, will fill a gap in the community.

## Future plans for retail space

“There is a lot of strength and stability in the numbers,” she said, with vacancy rates relatively low in all categories including retail. She said there are more than 1 million square feet under construction in the community, including multi-family residential.

Citing national trends in retail, Gibbons predicted 25 percent of shopping malls will close in the next few years. Owners are working hard to repurpose those spaces as fulfillment centers for online sales, as self-storage facilities, sets for TV and movie production and lifestyle centers.

Gibbons said retail is repurposing itself into an “omni-channel” that fuses virtual and physical sales. Grocery chain Kroger Co. (NYSE: KR), for example, is testing stores in which people can use their phones to scan the items they add to their carts and pay without having to go through a checkout lane.

In the office sector, co-officing remains a growing force because it permits startups to grow. Incorporating wellness spaces, rooftop features and delivery hubs for shopping experiences are all popular with today’s

worker, Gibbons said.

A third of all office leases in the U.S. in the past 18 months are co-officing, she said. Still, co-officing accounts for between 1.5 percent to 4 percent of big city office markets, meaning there’s room for a lot of growth in the co-office subsector.

“Co-officing is here to stay,” she said.

Marijuana and CBD businesses have had the most significant impact on industrial space in the Boulder Valley, she said. Meanwhile, in the multi-family sector, experiential living is driving changes. Today’s apartment renter, particularly among younger demographics, is interested in facilities that have on-site co-working, rooftop amenities, furniture rental options and more.

“Millennials are willing to pay 20 percent more for a smart apartment,” she said.

Smart apartments respond to renter lifestyles and typically will have wireless outlets, lights and locks that respond to usage and smartphone applications, and motion and temperature changes.

## Home values remain stable or growing...almost

Todd Gullette, managing broker at ReMax of Boulder, cited a wide range of residential property information that showed home price appreciation in every city in Boulder County except

one — Louisville — and a clear leader in number of homes sold — Longmont.

The U.S. Federal Housing Finance Agency lists Colorado as 21st in the nation in housing price appreciation. One-year appreciation in the Boulder market is at 5.36 percent, he said, and 380.24 percent since 1991. Idaho is first in the nation with one-year appreciation of 11.36 percent, Gullette’s data showed. Among metro areas, Boulder is one of the most stable in the nation with a 0 percent chance of property devaluation over a 25-year period.

Average sale prices in the city of Boulder this year remains above \$1 million at \$1.245 million. All communities were showing growth in housing prices except for Louisville, which dipped from \$747,615 to \$735,330. Gullette said a deep dive into the houses sold in Louisville in the past year shows that the decline in average price had more to do with the type of housing that became available for sale, and not about the overall health of the housing market in the community.

The number of houses sold in Longmont so far this year was 920 at an average price of \$467,945, followed by 495 in Boulder.

Home affordability in Longmont was responsible for the higher number of sales in that community, Gullette said.



# Fiber installation for Loveland municipal internet begins

By Ken Amundson  
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LOVELAND — Construction of fiber-optic lines to facilitate high-speed internet services to customers throughout Loveland is expected to begin this week.

Briana Reed-Harmel, municipal fiber manager for the city of Loveland's new utility, called Pulse, told BizWest Monday that contractors engaged by the city will begin to bore underground in order to lay fiber-optic lines as installation of four additional service huts continues in strategic places around the city. The first of those huts, or substations, was installed at the city service center, 200 N. Wilson Ave., in the past couple of weeks. A total of five huts will be installed by the end of the year.

The huts will help to establish the fiber ring, from which additional fiber will be extended down every street in the city.

Reed-Harmel said it has not been established when the first customer will be "lit up" by the fiber, but that is expected in the first half of 2020. Whether that will be a business or residential customer has not been determined, she said.

"We want to take it slow at first to make sure things are working as expected, that customer experiences are good and reliability is there," she said. The business plan for the installation predicted that 2,000 customers would be on the system by the end of 2020, she said.

She said many city buildings, which otherwise could be used to test the network, are already on fiber-optic inter-

net lines because Platte River Power Authority installed a network years ago. Those buildings will be added to the new Pulse network during the buildout of the system.

Reed-Harmel said Pulse will not release a map showing how construction will proceed through town, unlike what occurred in Longmont when the NextLight internet utility began work.

"Competitors used that [the installation pattern] to sign up customers to long-term contracts. That can be detrimental," she said. Instead, potential customers will be notified as services arrive in their neighborhoods. Pulse projects a 42 percent residential and a 27 percent commercial "take rate." It needs a 32 percent take rate to break even.

Rates have yet to be established and are under review. "We want to stay competitive, so we're doing a market study," she said. Rates will be announced next year.

Pulse will, at least initially, offer internet and telephone services. "We're looking at video services but haven't decided yet," she said.

Longmont offers internet and telephone; Fort Collins plans to offer those services, plus television.

The system will provide both upload and download speeds of 1 gigabit per second, with 10 gbps available for customers with special needs. Phone services will be complete for large and small businesses.

People interested in Pulse developments can visit [www.lovelandpulse.com](http://www.lovelandpulse.com) for information. An early interest form is there for people who want to be on the utility's radar for installation.



COURTESY PULSE

City manager Steve Adams addresses the crowd at the groundbreaking for Loveland's Pulse utility.



COURTESY PULSE

Visitors at the groundbreaking ceremony for Loveland's Pulse high-speed internet utility tour the inside of one of the fiber optic connection huts installed in southwest Loveland.

# Longmont EDP opens doors to new HQ

By Lucas High  
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LONGMONT — The new Longmont Economic Development Partnership headquarters is more than just office space. It's a hub for the local business community that's home to a co-working space and a startup accelerator.

Longmont EDP leaders welcomed members of the Longmont Chamber of Commerce Tuesday to tour the new 4,000-square-foot operation at 1925 Pike Rd.

The Pike Street officers are home to Innovate Longmont, an entrepreneurial accelerator program formed as a public-private partnership between the LEDP, the city, TinkerMill, Boulder County Small Business Development Center, Longmont Area Chamber of Commerce and Startup Longmont.

EForAll, another business accelerator with existing programs in Massachusetts, is also setting up shop in the space. The first cohort is expected to



LUCAS HIGH/BIZWEST

The Longmont Economic Development Partnership's new headquarters is located at 1925 Pike Street.

begin work early next year.

"We're so excited that they get to call our space home," Erickson said.

Longmont EDP's new co-working space, branded OneWest Co-working,

is accepting tenants who can rent desks or offices on a monthly or daily basis.

"We like to have lots of activity going on in this space during the day," Erickson said. "The more the merrier."

The partnership's offices are located within a new, roughly 120,000-square-foot flex space developed by New York-based WestRac Contracting Corp.

"Most of the pieces came together through the help of [the Longmont EDP]," WestRac president Gary Krupnick said of the company's decision to build in Longmont.

It took WestRac roughly 20 months to navigate the development approval process and about eight months to build.

"We like Longmont and we like Colorado," Krupnick said. "... We're sold on this area — it really works well for us."

The partnership spent the past four years in cramped accommodations at 15th Avenue and Main Street

"Part of the role of the Longmont EDP is to sell the city to the rest of the world. I think we've done a pretty good job of that over the last couple of years, but we've never had a home that really matches our mission," Erickson said.





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**BW** B R E W I N G

# Fate paves way for new ‘brewstillery’

By Dallas Heltzell

news@bizwest.com

BOULDER — The 1944 musical “Meet Me in St. Louis” introduced the wartime-wistful ode, “Have Yourself a Merry Little Christmas.” Now a holiday-season standard, the song includes the lyric, “Someday soon, we all will be together — if the fates allow.”

That line might also resonate for Dave Thibodeau, whose dream of uniting his two businesses — Durango-based Ska Brewing Co. and Palisade-based Peach Street Distillers — is coming together in Boulder in a space vacated by the bankrupt Fate Brewing Co.

The hybrid venture, Ska Street Brewstillery, could open as early as next spring in the 1600 38th St. location that had been home to Fate Brewing until May. Fate filed for Chapter 11 bankruptcy protection in late 2018 and closed its 38th Street facility after an unsuccessful reorganization effort.

Ska Brewing and Peach Street Distillers have been run “fairly independently,” Thibodeau said. “They’re sister companies because our ownership overlaps a little bit, but we always had this dream of integrating the two in more of a physical way than we really had the opportunity to do in the past.”

The Fate space provided the perfect answer.

“A lot of pieces came together, and now it feels like the perfect thing, like the answer we’ve been looking for for a decade now,” said Thibodeau. “We’re not really changing anything with the equipment. We’re leaving all the brewery stuff right where it was, and basically the furnishings, and we’re not really doing anything differently as far as the operations other than adding the still. If we were licensed, we could start cooking food and brewing beer and distilling spirits pretty quick.”

The idea for Ska Brewing was born in the 1980s when Thibodeau and Bill Graham were students at Wheat Ridge High School.

“We were punk rock kind of kids,” Thibodeau said, “and we got into ska music,” which originated in Jamaica in the late 1950s and combined Caribbean influences with American jazz and rhythm and blues.

In 1985, he said, “we ran across an old notebook on my dad’s bookshelves, and it just said ‘Brew Log.’ We weren’t the most responsible high school students, so when we saw something that said ‘beer’ on it, it piqued our interest. It turned out my dad had started homebrewing in 1969, and this was all of his log sheets up until his last brew in 1980.

“There weren’t any homebrew shops yet, and we were juniors in high



Dave Thibodeau is one of the founders of Ska Brewing.

COURTESY SKA BREWING



school when we found this. We started flipping through it, and we were trying to figure out where he added the alcohol and how he did this, when we realized he was buying the ingredients he was using at the grocery store, and he wasn't adding alcohol; he was making alcohol.

"For a couple of high school students who partied a lot and were underage, it was light bulbs going on," Thibodeau said. "So we started brewing beer in high school, and because we were into ska music, it was kind of our routine. It was a superstition we had. We felt like if we didn't listen to ska music while we were brewing, the beer wouldn't turn out any good."

They made their own labels, and called their product Ska.

Fast forward 10 years, and Thibodeau and Graham are grown-ups in Durango, planning to open a brewery.

"I was thinking, 'What mountain or river or dog should we name our brewery after?' Bill was like, 'No, we've got to keep it Ska Brewing,'" Thibodeau said. "But no one in Durango knew what ska was. Because it's so rural and there's so many cowboys, we just told everybody it was an acronym for Shit-Kickin' Ales."

The friends opened Ska Brewing in 1995 and Peach Street Distillers in 2005. Peach Street capitalizes on the area's reputation for growing quality fruit by using it in its gin, whiskey, vodka and brandy.

The partners soon began exploring the idea of a "brewstillery" or a brewery and a distillery in one location with one pub that served both their beers and their spirits.

But where to put it? They looked at other mountain towns, but had an affinity for Boulder, he said, because it "feels a lot like a bigger version of Durango." Then there was Boulder's reputation in the craft beer world, as home to the Brewers Association as well as Boulder Beer, the first craft brewer in the state. Additionally, Steve Breezley, Ska's chief operating officer, had been COO at Avery Brewing in Boulder.

Their only reservations about opening there were that "it's expensive," Thibodeau said, "and

we didn't really want to go into the Front Range, where we sell a lot of our beer, until we had a good plan to help our accounts that have already supported us. We wanted to be able to do it in a way that could reciprocate and help them sell more of our beer too. You look at Hazel's, Liquor Mart — is there a way we could help them really increase their sales of Ska beer if we came into the neighborhood."

That's when fate stepped in — literally.

"We've got all these ties to Boulder, and then Fate Brewing unfortunately closes down," Thibodeau said, "and then, as fate would have it, Breezley's good friends are involved with the ownership of that building that Fate was in. So he knows the owners really well. We were able to stay in touch, so as soon as we heard Fate might be closing down, we talked to those guys and asked about the equipment and



COURTESY SKA BREWING

From left, Matt Vincent and Ska Brewing founders Dave Thibodeau and Bill Graham stand in the taproom at the Ska facility in Durango.

the space.

"All of the kitchen equipment and furnishings belonged to the building, the landlord, but then the state seized the brewing equipment," he said. "So there's a whole pretty-much turnkey brewery in there."

Thibodeau and Graham attended the bankruptcy auction in July, won all that equipment in a bulk bid and worked with the building's landlord to secure a suitable lease. The next step has been working with the city.

"Planning and zoning has already licensed it once," he said, "and so we've just given them all the same plans and said we're not changing this, we're not changing that — and they said as long as you're not really

changing anything, this should be relatively easy."

The plan for the Boulder pub is to have 30 Ska beers on tap at all times, along with gluten-free options such as ciders and hard seltzers and the spirits produced by Palisade.

"At Palisade, all our spirits are made with local grains and local fruits. It's pretty much a grain-to-glass distillery. It's as much farm-to-table and grain-to-glass as we can," Thibodeau said. "So in Boulder, we'll use produce from whatever Boulder farms that we can work with."

The food menu will reflect ska music's early roots in Boulder, he said, with "a lot of jerked food, blackened food, a lot of Caribbean spices. So it'll

be kind of a juxtaposition of farm-to-table with a subtle nod toward the Caribbean."

The Boulder site provides a much larger kitchen to expand on that theme, given that it's about three to four times as large as the one in Durango, which was built out of a 40-foot shipping container.

One change will be in licensing because of state rules, he said.

Both the Durango brewery and the Palisade distillery "operate with state liquor manufacturing licenses," he said. "Because Boulder is going to be a pub license, you're not allowed to have an interest in both a pub license and a manufacturer. So we are changing our licenses in Durango and in Palisade to pub licenses. You can still manufacture, but you're capped on the amount of production you can do. You're capped at 60,000 barrels a year at a pub, per license, and we're brewing about 30,000 barrels now in Durango. That's a fair amount of beer, so once we start brewing inside Boulder, there's no chance that we'll ever come near that number."

Ska Street Brewstillery will produce Ska beers in a 10-barrel brewhouse and Peach Street spirits in a 450-liter still.

"We're going to be doing some really fun, experimental stuff" at the Boulder brewery, Thibodeau said, "and that will be supplemented by our flagship beers we make in Durango."

And he fully expects to be successful — if the fates allow.



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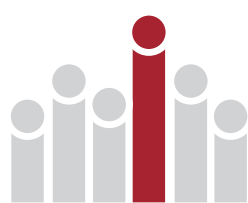
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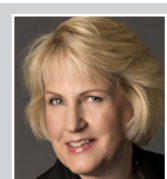
# ThoughtLeaders

## BUSINESS ANSWERS FROM THE EXPERTS

### PAYROLL & WORKFORCE SERVICES

#### Labor Posters: First Line of Defense

With information available at the click of a mouse, employees and job applicants are increasingly aware of their rights and more likely to take legal action if they believe those rights have been violated. Have you noticed the sheer number of legal advertisements during prime-time television with the lure of potential large money awards from lawsuits? In today's litigious society, labor posters can be your first line of defense against employee and job applicant lawsuits. Here is why:



Allyson Rodahl, CPP  
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**1-Proof of Compliance** - Department of Labor investigators sent to a company to investigate an employee complaint will verify that up-to-date labor law postings are conspicuously displayed as required at the work premises. If the labor law postings are outdated or missing, the business could be fined thousands of dollars for non-compliance, and the employee's lawyer could argue the employee was not properly notified of his or her rights, leading to greater punitive damages.

**2-Statute of Limitations** - Under the Fair Labor Standards Act (FLSA), the employee must file a complaint within two years of the violation to recover back wages and damages. If it is determined that the employer was not in compliance with labor law posting requirements, the FLSA states that the statute of limitation can be extended to 3 years for "willful violations". That extension of time could cost the employer thousands of dollars more in back wages and punitive damages if a lawsuit is settled in the employee's favor.

**3-Good Faith** - If an employer has complied with the required labor law postings, it could demonstrate that the employer has made an effort to comply with the law and acted in "good faith". Conversely, acting in "bad faith" by not posting labor posters could lead to significant increased punitive damages.

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### MARKETING

#### The Importance of Trust When Giving to a Charity

Better Business Bureau's 2018 Donor Trust Report is broken into three key sections, starting with the State of Trust in the Charitable Sector that explains the state of public trust as a whole and in specific charity types from civic service to religious organizations. The other two sections cover Triggers of Trust, or what compels individual donors to give, and Shifting Generosity: A Snapshot of Donor Attitudes and Perceptions, or donors' understating of giving now and their expectations about the future of giving.

Though the report finds that the charitable sector is the most trusted institution in the United States, trust in the sector remains low—there is public distrust for all institutions, including business, government and nongovernment organizations. Seventy-three percent of respondents taking the survey placed high importance on trusting a charity before giving, but only 19 percent said they highly trust charities and 10 percent showed optimism toward the sector becoming more trustworthy over time.

So what triggers trust? The respondents' top reasons for trusting a charity include the organization's reputation, honesty and openness to research, so donors could verify credentials. Donors distrust charities that appear to show greed and have high compensations, negative reputations and are not honest and transparent. They particularly value fiscal frugality and conservative compensation on things like salaries, administration and fundraising—these things, however, can be crucial to a charity's capacity for service and impact since paid staff and operating expenses are necessary to carry out the missions.

Charities can take steps to build trust with their donors, such as:

- Creating relationships with new donors and deepening relationships with current donors. They can do this through great customer service and by providing multiple giving channels and opportunities, cultivating commitment by donors, showing accountability and sending personalized communications.
- Offering multiple ways to give, such as by hosting fundraising events, participating in give days and broadening giving efforts. Those efforts can include direct and in-kind donations, volunteerism, network engagement, fundraising events and opportunities to give voice to causes.
- Reaching across generations to encourage giving. They can solicit donors to engage with their causes, tailored to the donation preferences of younger and older generations. Older generations, or the Silent Generation, prefer in-kind and monetary donations, while Baby Boomers and Gen Z respondents want to raise money through their networks.

Charities can also take advantage of BBB's free charity review program. BBB Charity Accreditation helps donors make informed giving decisions and promotes high standards of conduct among organizations that solicit contributions from the public. To help determine if a charity is accountable and trustworthy, the BBB uses 20 BBB Standards for Charity Accountability on governance, finances, fundraising practices and results reporting. BBB then issues reports that are available for free at bbb.org. Nearly 80 local nonprofits in Northern Colorado and Wyoming are BBB Accredited and their reports are available for free at bbb.org.



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### TECHNOLOGY

#### Is your business prepared for a Cyber-Security Attack?

The reality of our marketplace today is that all businesses must understand the risks/consequences of cybersecurity attacks. Protecting an organization's data used to be more about recovering from a physical disaster (flood/fire/tornado or internal challenges like malicious behavior/technology failures/end-user errors). And while this process is critical, the technology to prevent and recover from those challenges is better than ever and is more of a standard expectation for business leaders and IT professionals.

The growing challenge is dealing with the constant and complex risk of cyber-security attacks. The risk of an attack has increased 60% over the last 12 months. Cyber-threats carry operational and financial risk, and while headlines focus on the attacks of larger organizations, 1/3 of attacks are directed at business with less than 250 employees. As a small business owner, it's a costly error to believe your business is a less relevant target. **The reality is that all data is important to somebody and your network is never 100% secure.** Smaller organizations are easier targets as their policies and procedures to prevent/recover from these attacks are less robust.

However, there are some foundational steps that every business should take to reduce the risk of a cyber-attack. Each step involves additional planning and discussion:

##### Implementation of IT standards and best practices

- Routine network maintenance (security patching/updates for servers/applications/end user devices)
- Robust IT security services (firewalling/antivirus/email security/password management, data encryption services/multi-factor authentication services/etc.)
- Data protection/backup (automated local/offsite backups, routine testing of backups and restore capabilities)

##### Review and audit of internal IT security controls and policies

- This is a challenging step that will typically require engagement from a 3rd party IT consultant but creating a resilient environment requires a continual process of evaluating internal IT controls, access, privileges, policies and processes.

##### Employee Education & Training

- Create a process for helping your employees understand the risk of cyber-security attacks and their role in mitigating that risk.

##### Disaster Recovery/Cyber-Attack Planning

- Developing a Disaster Recovery plan is an important process and with the increasing threat of cyber-security attacks, recovering from a cyber-attack needs to be a specific part of your planning process.

##### Cyber-Security Insurance

- Knowing that most organizations will experience some level of cyber-security attack, the process of risk mitigation includes implementation of cyber-security insurance. Speak with a trusted advisor or industry expert about the components of a Cyber-Security policy.

Work through these steps to reduce the risk associated with cyber-attacks and better protect your business, employees and customers. If you feel you need help in these areas, Connecting Point can help assess and evaluate your business.



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# Futurist: NoCo can create own destiny

By Ken Amundson  
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FORT COLLINS — The question for Northern Colorado’s future might be, to draw from popular culture, whether it will more closely resemble the Hunger Games or Star Trek.

That’s what Trista Harris, a self-described philanthropic futurist, told about 300 people convened by the Community Foundation of Northern Colorado to launch the new Hach Center for Regional Engagement.

The Hach Center, built on a \$1 million endowment from Bruce and Muriel Hach of Loveland, will be the vehicle that the foundation will use to engage with community leaders and residents of Northern Colorado — both in Larimer and Weld counties. The mission: to figure out what residents want for the future of the region, and how to get there.

“A lot of what we love about Northern Colorado didn’t just happen. This was the result of work of previous generations. Great communities are products of great intentionalities,” said Ray Caraway, CEO of the community foundation, in introducing the concept of the Hach Center.

“What if we could do an even better job of dreaming and planning for the future of Northern Colorado? What if we could reach across I-25 to bridge the



Trista Harris, author of a book on philanthropic futurism, spoke at the launch of the Hach Center. Courtesy Community Foundation of Northern Colorado.

COURTESY COMMUNITY FOUNDATION

gap between Larimer and Weld counties, helping people build consensus on regional issues like water that require regional solutions,” Caraway asked.

“What if we could engage more young people, helping to build the next generation of community leaders,” asked Ella Fahrlander, chief engagement officer for the foundation.

Fahrlander and Caraway ticked off several attributes that are now possible because of the creation of the Hach Center. The key to the future, however, is first figuring out what people want, and then finding the means to get there, using regional collaboration.

“Starting today,” Caraway said, the

Hach Center will be the “permanent resource” for the region to build a future that people want.

Trista Harris, author of “Future Good. How to Use Futurism to Save the World,” outlined three steps to achieving the future that people want.

“Stop loving the problem,” she said. “Stop making the problem the guest of honor at events. Imagine what the world would look like if the problem you have is solved.”

Look for signs that provide hints about the future. “Spend 5 percent of your time on research and development. What might the future look like. Who is moving toward that future.”

Go, get started. “Solutions need to

be faster to get in front of the future trends. Implement new ideas. Try out ideas. Then share what you learn. You can’t be afraid of failure.”

Harris said Northern Colorado will be affected by several trends, because the entire country will also experience them.

Schools will need to change, because they’re built around an agricultural schedule that no longer makes sense.

People will live in broader megaregions — where they live in one area and work in another

Transportation — such as the Hyperloop promoted by Tesla to transport people or freight at 800 miles per hour or the plan that Uber plans to launch next year to provide aerial taxi services — will transform how people move around.

As a result of transportation changes, more people will migrate to rural settings to live.

And people as a result of technology, robotics and artificial intelligence will move from 40-hour work weeks to 20 hours, which will then change how people are compensated for their work.

“But we get to decide,” she said. “Do we have a Hunger Games future or a Star Trek future.”

The Hach Center, Caraway projected, will help the region figure out these issues “for the next 100 years.”



## From our Family to Yours...

The Good Samaritan Society has been serving seniors and their families for more than 80 years in Northern Colorado.

This December, as always in the past, we extend our warm wishes for a healthy, happy holiday season and a blessed New Year to you and your families.

If we can assist you in supporting an aging loved one in your life in 2020, please call us at 888-497-3813.



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Ft. Collins | Fox Run (Greeley)  
Loveland | Simla  
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The Evangelical Lutheran Good Samaritan Society provides housing and services to qualified individuals without regard to race, color, religion, gender, disability, marital status, national origin or other protected statuses according to applicable federal, state or local laws. Some services may be provided by a third party. All faiths or beliefs are welcome. Copyright © 2014 The Evangelical Lutheran Good Samaritan Society. All rights reserved. 14-01855

# WINTER FLOWERS

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1725 Forsyth St.  
Boulder, CO 80502

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3320 Manhattan Cir. #104  
Boulder, CO 80503

21+ Rec  
450 20th Ave  
Longmont, CO 80501



BRIEFCASE

BRIEFS

Two electric co-ops are petitioning state regulators to force Westminster-based power wholesaler **Tri-State Generation and Transmission Association Inc.** to give them quotes for exit fees. In filings with the Colorado Public Utilities Commission earlier this month, Durango-based **La Plata Electric Association Inc.** and Brighton's **United Power Inc.** both claim Tri-State refused to give it an exit fee quote when it requested one in early July and in August 2018, respectively.

Two opponents of the **Hughes Stadium** redevelopment proposal are saying **Fort Collins Mayor Wade Troxell** and council member **Kristin Stephens** violated ethics rules by voting for the project. The ethics complaint argues Troxell and Stevens should have recused themselves from the initial vote to rezone the property this month because the two are **Colorado State University** employees and may have an interest in the outcome of the development. CSU owns the property, which is eyed by Miami homebuilder **Lennar Corp.** Opponents argue that the property should remain open space, or be developed at a lower density to prevent traffic overload.

The nonprofit **Wolverine Farm Publishing and Public House** is facing foreclosure in late January after it couldn't raise the money to stay current on its mortgage. The literary house and bar at 316 Willow St. in Fort Collins received its first notice for demand in late September and has been scheduled for a sheriff's auction on Jan. 29, according to Larimer County property records. As of Sept. 25, Wolverine owes \$769,630 on loan with a principal of \$725,000 and at 3 percent interest. Its deadline to say it plans to cure the foreclosure is Jan. 14, and its final chance to get current on payments in Jan. 28.

The **University of Colorado Boulder** and the **University of Colorado Anschutz Medical Campus** are embarking on a plan to collaborate on research to improve human health, innovation and economic development. The two campuses will attempt to drive innovation and research breakthroughs, win more competitive awards, and elevate reputation through combined research efforts; identify areas of collaboration between existing research strengths in biosciences, biochemistry, engineering, arts and sciences, pharmacology and immunology, public health, mental health and other areas; remove existing administrative barrier and unlock potential through leadership communication and connectivity; and charter individuals and groups on both campuses to own and accelerate the process of enhanced partnership.

**Uplight Inc.**, an energy technology firm formed by the merger of **Tendril Inc.** and **Simple Energy 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.

CLOSING

**2 Dog Diner**, a popular restaurant in Longmont's Prospect neighborhood, closed Nov. 3 after more than a dozen years in business. Diner owners Paul and Pam Roberts plan to retire and move to California.

**Energes Services Inc.**, a Greeley construction and oil-rig servicing company, laid off its entire staff and is closing amid a lawsuit over unpaid insurance bonds. The layoffs, which total 121, were reported to the Colorado Department of Labor and Employment. In a letter sent to state officials, Energes described itself as a "faltering company" and couldn't find an emergency cash infusion since mid-July. Energes was sued two weeks ago by an Ohio insurance company that claimed it is dealing with more than \$500,000 in claims from Energes' failure to fulfill its building contracts. The company was fired from a landscaping project in Centerra Metropolitan District #1 in September after it said it couldn't fulfill its duties.

CONTRACTS

**Blue Federal Credit Union** secured the naming rights to areas of the **Budweiser Events Center**. The Wyoming-based credit union will become the name sponsor for the venue's guest services booth and its restaurant. Blue will also gain the right to re-brand other assets around the stadium. The credit union did not say how much the deal is worth, or how long it will last.

EARNINGS

**Advanced Energy Industries Inc.** (Nasdaq: AEIS) posted revenues of \$175.1 million in the period, an increase of \$2 million from the same quarter last year. Its non-adjusted earnings were 47 cents per share, or 19 cents per share when adjusted to generally accepted accounting principles. The company made \$7.63 million in profits for the period, a sharp decline from the \$34.77 million it posted in the same period last year. However, that may be explained in part by the closure of Advanced Energy's \$400 million acquisition of Artesyn Embedded Technologies Inc. in mid-September.

**AeroGrow International Inc.** (OTCQB: AERO), the Boulder-based producer of the AeroGarden kitchen garden appliance, posted net revenue of \$4.4 million in the second quarter of fiscal year 2019, a 48 percent dropoff from the same period last year. Losses in the quarter topped \$1.1 million. AeroGrow posted \$672,000 in the second quarter of 2018.

**Brickell Biotech Inc.** (Nasdaq: BBI) posted \$4.78 million in losses in its first quarter after going public via a reverse merger and initial public offering. The Boulder dermatology company posted \$1.18 million in collaboration revenue in its third quarter 2019 earnings but took a \$1.65 per share loss in the period. That was likely due to spending \$3.9 million in administrative expenses to close the merger, compared to \$1.2 million during the same period last year. Brickell originally went public in early September after closing its reverse initial public offering and takeover of San Diego-based Vical Inc. The company has \$7.22 million in cash and liquid assets on hand, but also has up to \$18.47 million in securities for sale as a fundraising option.

**Charlotte's Web Holdings Inc.** (OTC: CWBHF), a CBD product manufacturer, grew its revenue in the third quarter of fiscal year 2019 but posted a loss for the period. The firm's quarterly revenues were \$25.1 million, up nearly 42 percent from the same period in 2018. However, increasing expenses dragged the firm's quarterly revenues were \$25.1 million, up nearly 42 percent from the same period in 2018. How-

ever, Charlotte's Web's increasing expenses dragged the firm's overall results into the red. Charlotte's Web recorded a net loss of \$1.3 million in the third quarter after posting a \$1.8 million profit during that quarter in 2018. For the first three quarters of the fiscal year, the firm has recorded net income of \$3.2 million.

**Clovio Oncology Inc.** (Nasdaq: CLVS) beat analyst expectations in its third-quarter earnings after a brutal early Q2 pummeled its stock price. The Boulder cancer treatment company posted revenues of \$37.6 million for the quarter and a loss of \$1.72 per share, according to filings with the U.S. Securities and Exchange Commission. Those figures beat Wall Street consensus estimates by \$1.76 million and 17 cents of additional loss per share. The company's stock was battered in August from its last earnings report, where it posted a \$120.9 million net loss and missed earnings per share estimates by 56 cents.

**Crocs Inc.** (Nasdaq: CROX), the Niwot-based casual footwear firm, posted record revenue totals in third-quarter of fiscal year 2019 and reported quarterly sales of \$312.8 million, up 19.8 percent from the same period last year.

Medical device maker **Encision Inc.** (PK: ECIA) reduced its revenue loss rate in its latest quarter, but its overall revenues in its current fiscal year are down 34 percent. The Boulder surgical instrument maker posted net revenues of \$1.92 million for the quarter and a \$30,000 profit, compared with \$2.2 million in sales and \$12,000 in profit in the same quarter last year.

**Gaia Inc.** (Nasdaq: GAIA), a Louisville-based yoga-focused streaming video service, posted higher than anticipated revenues for the third quarter of fiscal year 2019. Revenues jumped 25 percent to \$13.7 million in the most recent quarter from \$10.9 million in the same period in 2018. Gaia attributes much of that improvement to a 16 percent increase in subscribers since September 2018. The company had 595,000 at the end of the third quarter of 2019. Gaia has yet to turn the corner to profitability, but it is getting close.

**Heska Corp.** (Nasdaq: HSKA) saw its vaccines and pet pharmaceutical business increase sales by a third over the course of a year, while its core segment sales declined. The Loveland veterinary company reported \$31.24 million in revenue and posted a net loss of \$300,000 for the quarter. Heska's "Core Companion Animal" business made the vast majority of revenue, bringing in \$26.3 million during the quarter. However, that segment's sales declined by 3.1 percent year-over-year, mostly due to a halving in sales from its pharmaceutical, vaccination and diagnostics segment. The company's "Other Vaccines and Pharmaceuticals" business pulled in \$4.9 million for the quarter, a 30.1 percent increase from the same period last year. Heska most recently finished a \$86.25 million off-market funding round, with about \$11.25 million going toward refinancing existing debt and \$75 million going toward company operations.

**Maxar Technologies Inc.** (NYSE: MAXR) has launched a \$1.25 billion fundraiser ahead of releasing its third-quarter earnings, where the company beat Wall Street sales estimates by \$10 million. The Westminster-based aerospace and satellite-imaging company posted \$479 million in revenues for the

quarter and a net loss per share of 44 cents per share. While the \$479 million figure is about a 6 percent decline from the same period last year, Maxar's losses fell from \$289 million last year to \$26 million in the last quarter.

**Noodles & Co.** (Nasdaq: NDLS), a Broomfield-based fast casual restaurant chain, boosted year-over-year revenue and reduced costs in the third quarter of fiscal year 2019, posting a net income that was more than double the same period last year. The firm reported \$118.3 million in revenue in the quarter that ended Oct. 1, up from \$116.7 million in Q3 of last year. Noodles attributes the bump primarily to increases in comparable restaurant sales. During the first three quarters of this fiscal year Noodles reported a net income of \$2.8 million, or \$0.06 per diluted share, compared with a net loss of \$8.5 million, or \$0.20 per diluted share for the first three quarters of 2018.

Chicken producer **Pilgrim's Pride Inc.** (Nasdaq: PPC) saw modest gains in sales in the past quarter, telling stock analysts that it was confident in the future of chicken demand. In its Q3 filings, the Greeley company said it posted \$2.78 billion in sales for the quarter and 44 cents of earnings per share, beating Wall Street consensus estimates by \$40 million and 5 cents per share respectively. It posted a \$112 million profit, compared with \$52 million in the same quarter during 2018. Sales increased 3 percent year-over-year for the company, which attributed the increase to a difficult Q3 2018 in the commodities market and subsequent recovery.

**Surma Inc.** (OTCQB: SRNA) posted a company record \$5.52 million in revenue in the third quarter this year as it continues to eye another initial public offering onto the Nasdaq. The Boulder company, which specializes in environmental engineering for marijuana and hemp grow operations, saw a 31 percent increase over its Q2 earnings earlier this year. It earned 1 cent per share for the period. The company posted \$222,000 in profits for the quarter.

Power-systems maker **Woodward Inc.** (Nasdaq: WWD) missed Wall Street estimates for its fourth quarter 2019 earnings, saying Boeing Co. (NYSE: BA) and the bankruptcy of a major customer pushed its revenues down. The Fort Collins-based company posted \$737 million in revenue and diluted earnings of \$1.03 per share for the period. However, Woodward posted \$66.7 million in profits for the quarter and a 2.7 percent year-over-increase in revenue.

**Zayo Group Holdings Inc.** (NYSE: ZAYO) saw its revenue fall by \$45.1 million from the last quarter but reaffirmed its pending merger timeline. In its first quarter 2020 earnings, the Boulder internet infrastructure company posted \$638.6 million in revenue across its business segments and 8 cents per share in the period. The company said it had \$17.9 million in net income for the period, a 71 percent decrease compared with last quarter's \$63 million. The company is working toward selling itself to two private investment firms for \$14.3 billion and take it off the public markets. The company still expects to close the deal within the first half of 2020 as it works towards securing regulatory approvals.

Please see **Briefcase**, page 32



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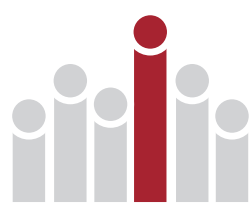
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# ThoughtLeaders

## BUSINESS ANSWERS FROM THE EXPERTS

### HEALTH CARE

#### Columbine Health Systems Care Managers

Columbine's Care Managers advocate for individuals and families to successfully navigate the health care system in Colorado. Being a caregiver for an older adult can be challenging. Knowing the ins and outs of the health care system is critical. Health care is not becoming less complex!



Anna Von Dreele, MSW  
Care Manager

A care manager has several different roles:

#### Transitions:

- Assessments for the appropriate level of care
- Researching and communicating with the appropriate resource(s) or facilities
- Communicating about medications, diagnoses, and Advanced Directives
- Coordinating documents, orders, or other necessary information
- Assisting with move in

#### Advocacy:

- Assessments to better understand functional, medical, psychological and psychosocial needs
- Attending physician and specialists appointments
- Coordinating communication between physicians and specialists
- Reconciling medications to ensure safety and appropriateness

#### Coordination and Care Management:

- Researching appropriate services with preferred providers for insurance
- Contacting potential providers for referrals and to initiate services
- Ensuring communication between service provider(s), client, and family

The help of a care manager can be vital to the journey. The care managers' job is really to facilitate communication and care for the needs of seniors. They are hands on, and have a wealth of knowledge and experience to rely upon. They are often the missing piece in the care puzzle.

You are not alone. Caregiving for an older adult is not always easy. There are resources for care and support. The earlier you start looking into those resources, the easier things will be. A care manager will be your best partner in the journey.



Anna Von Dreele, MSW  
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### LAW

#### It Might Be Time to Amend Your Operating Agreement

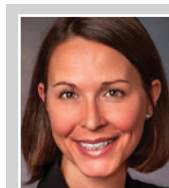
While you are not required to have an LLC or Partnership Operating Agreement, your attorney will recommend that you do. The Operating Agreement ("OA") is the controlling document for the operations of your company. But it is not enough just to have one. Ensuring your OA is up to date and accurately reflects your company structure is vital.

There are several reasons to review and consider updating your OA. If there have been any changes in membership structure, distribution of profits and losses, or management processes, it is time to ensure that your OA accurately reflects how your company is operating.

Additionally, if the company is taxed as a partnership you will need to update your OA in response to changes in tax law. Prior tax code called for the designation of a Tax Matters Partner to be the primary point of contact with the IRS for audit related correspondence. The Tax Matters Partner designation has been replaced with the Partnership Representative under IRC §6223(a) for the convenience of the IRS, not the taxpayers.

The new Partnership Representative ("PR") is granted broad authority to bind the company and its members on dealings with the IRS. The new PR also no longer has the duty of notice to members that the Tax Matters Partner did. Additionally, the IRS has the authority to assign a PR on the Company's behalf if it fails to do so. While everyone hopes to never be subject to audit, waiting until you receive IRS notice of just that is not the time to think about your PR. It is best to update your OA now to identify your PR, detail their duties and obligations to the company, and make it clear what authority they have to act on behalf of the company.

An annual Review of your OA to ensure your company is complying with its own rules and procedures, as well as current law, is just good practice. However, with ever changing law and policy, it is more important now than ever.



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### HEALTH CARE

#### A Different Kind Of Gift

With the holiday season in full swing, many of us are scrambling to finish our shopping for the gifts to give our loved ones. I invite you to consider a very special gift for those closest to you, one that doesn't involve any shopping but does require careful thought: the gift of advance care planning (ACP).

ACP is the process of discussing and documenting our wishes for our care in the event of a terminal illness, catastrophic injury, or other health crisis that renders us unable to speak for ourselves. These are not easy topics to think or talk about, but they are critically important conversations to have, and they are difficult (or in some cases impossible) to have once a medical crisis has already occurred.

#### Medical Power of Attorney (MPOA), Health Care Proxy (HCP), Living Will

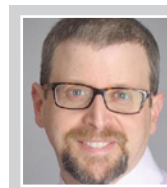
The MPOA and HCP allow you to designate someone to make medical decisions on your behalf, but the act of completing these forms by itself does not constitute ACP. It is essential to have a conversation with your agent about what kind of care you want – and don't want – in various scenarios. There are excellent tools to guide you through these conversations, notably "The Five Wishes", and the Colorado Department of Public Health & Environment (CDPHE) web page: <https://www.colorado.gov/pacific/cdphe/advanced-care-planning>.

#### Medical Orders for Scope of Treatment (MOST) Form

While an MPOA or HCP can be completed by anyone, the MOST form requires the involvement of a physician. The MOST is a set of doctor's orders regarding whether or not you would want CPR, antibiotics, IV hydration or nutrition, or other types of medical intervention in the event of a medical emergency. And unlike an MPOA, HCP, or Living Will which should ideally be completed well in advance of a medical crisis, the MOST is typically done in the context of a serious illness where the need for crucial medical decisions is more predictable.

You might well be wondering, "How is this a gift?" As uncomfortable as it might be, imagine the following scene: you are in the hospital, critically ill and unresponsive. Your family and your medical team are gathered around the bedside. The attending physician provides an update on your condition and the important treatment decisions that have to be made, and all eyes turn to your eldest adult daughter who is your agent as the doctor asks her, "What would your mother want us to do?" Imagine how distressing it would be for your daughter if she had absolutely no idea how to answer that question.

Consider giving the gift of peace of mind that comes with ACP. It might very well be the most helpful and loving gift you'll ever give your family.



Nate Lamkin  
Pathways



Nate Lamkin, President  
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Fort Collins, CO 80525  
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## Briefcase, from 30 KUDOS

Boulder Convention and Visitors Bureau chief executive **Mary Ann Mahoney** recently won the Governor's Award for Outstanding Individual Contribution to Colorado Tourism. The award is presented to "an individual to recognize his or her tireless contributions to advancing the Colorado tourism industry." Mahoney and the other honorees were recognized at the 2019 Governor's Colorado Tourism Conference held in Denver.

Boulder-based **Biodesix Inc.** and **Array BioPharma Inc.** (Nasdaq: ARRY) were recognized by the Colorado Bioscience Association for their contributions to the state's life science industry in 2019. Biodesix, a commercial-stage pharmaceutical that focuses on cancer treatments, won the association's Company of the Year award. Boulder's **Brickell Biotech Inc.** (Nasdaq: BBI) was a finalist in this category. Array, a company developing rapid-screen tests for lung cancer, received the association's Deal of the Year award. The firm announced in June it would be acquired by pharmaceutical giant Pfizer Inc. (NYSE: PFE) in a deal estimated to be worth about \$11 billion.

**CO-LABS**, a state consortium of federally funded laboratories, announced recipients of the 2019 Governor's Awards for High-Impact Research, one of which is a project led by researchers at the **University of Colorado's Joint Institute for Laboratory Astrophysics**. That award, presented during a ceremony Nov. 12 in Denver, honored a group of scientists working with the National Institute of Standards and Technology for the development of "a technology based on Nobel Prize-winning research on lasers from JILA at the University of Colorado-Boulder that has been ruggedized and commercialized in Colorado for use in the field and can detect methane a quarter of a human breath from over a mile away," according to a CO-LABS news release.

## LEGAL

**Smith Energy Corp.**, a Greeley-based energy company, filed for Chapter 7 bankruptcy, listing assets of \$334,611 and liabilities of \$773,000. The company stated that it had up to 49 creditors. Smith Energy stated in the filing that it is in possession of real prop-

erty that requires "immediate attention," identifying the Running Creek 11 property in Elbert County. An "oil leak occurred on property and was identified by the Colorado Oil & Gas Conservation Commission," the company stated, adding that the area will be cleaned pursuant to state regulations under the orphan-well program. Smith stated that the Running Creek 11 property is not insured, but attorney Mark Larson of the Larson Law Firm LLC in Louisville, which represents Smith Energy, said the company had filed bonds on the property as required by state law. Larson said that Smith was affected by Anadarko Petroleum Corp.'s shutdown of a feeder pipeline related to the 2017 explosion in Frederick, preventing Smith Energy from delivering its products. He said the closure of Smith Energy, which is based at 12076 Shiloh Road in Greeley, will affect two employees. Smith Energy constitutes the second Greeley-based energy company to announce closure in the past two weeks. Energes Services Inc., a Greeley oil-rig servicing company, announced Oct. 30 that it would shut down, eliminating 121 jobs.

**Peak Serum Inc.** and **Thomas Kutrubes**, the Wellington-based biologics firm's founder, declared bankruptcy. The Chapter 11 filing, which was made Nov. 13 in U.S. Bankruptcy Court of Colorado, comes less than two months after Kutrubes was hit with a \$2 million fine for trademark infringement, unfair competition and misappropriation of trade secrets related to his formation of Peak Serum in 2014.

**Dean Foods Co.** (NYSE: DF), the nation's top milk producer, has filed for Chapter 11 Bankruptcy protection. The firm, which owns and operates more than 50 brands including TruMoo and Dairy Pure, is exploring the possibility of a sale to farmer-owned marketing cooperative Dairy Farmers of America. Dean has several historic connections to the Boulder Valley region. In 2002, the firm acquired Boulder-based White Wave Inc., maker of milk products such as Silk and Horizon Organic. French dairy company Danone SA, which has operations in Broomfield, bought White Wave in 2017. Dean also has made recent investments in local firms, including a 2017 investment in Boulder-based Good Karma Foods.

Two Colorado investors are suing to stop a \$1.7 billion tie-up between Denver-based oil companies **PDC Energy Inc.** (Nasdaq: PDCE) and **SRC Energy**

**Inc.** (NYSE: SRCL), a deal that if closed would create Weld County's second-largest oil and gas operator. In two separate suits filed in the U.S. District of Colorado, Michael Ben-Yosef and Michael Waynick both allege that the two oil companies didn't file enough information to the U.S. Securities and Exchange Commission. Specifically, the two allege that financial analyses from **Goldman Sachs Group Inc.** (NYSE: GS) and **Citigroup Inc.** (NYSE: C) are incomplete because they don't include the original financial data from the two oil companies for investors to view for themselves.

**Brickell Biotech Inc.** (Nasdaq: BBI) lost a major funding stream after a Florida company sued it for alleged bad-faith practices. In filings with the U.S. Securities and Exchange Commission, the Boulder-based dermatology company said one of its backers, North Carolina investment fund **NovaQuest Capital Management LLC**, suspended its payments after Miami-based **Bodor Labs Inc.** filed suit against Brickell. NovaQuest will resume payments if the lawsuit is dropped within a year. Brickell also said the loss of funding could impact its Phase III clinical trials for Sofpironium Bromide, an anti-underarm sweating gel.

## MERGERS AND ACQUISITIONS

**Banner Health** closed the property transfer of **North Colorado Medical Center** from Weld County as part of its larger \$328.4 million acquisition of the hospital. The Arizona health care group paid \$280,501,500 for the hospital and its clinics around Greeley on Oct. 9, according to Weld County property records. The deal was first announced between Banner, the county and NCMC Inc., the hospital's holding company, in August. Banner closed that property transfer a week after Colorado Attorney General Phil Weiser greenlit the deal. The state attorney general's office is required to review major deals between local governments and companies for possible loss in benefits to an area, and to make sure assets don't leave the state.

Fort Collins construction company **Dohn Construction Inc.** merged with **Denver Design Build LLC** in a bid to build more projects across the northern Front Range. The combined company will keep the Dohn Construction name. Jeff Gates, one of the co-

owners of Denver Design Build, is the nephew of Dohn Construction president Doug Dohn and chief financial officer Connie Dohn. Gates will be field operations director for the Denver metro area, while former Denver Design Build co-owner Jeff Ayers will become the company's director for new business.

**Hewlett Packard Inc.** (NYSE:HPQ) shot down a bid by rival computing company **Xerox Inc.** (NYSE: XRX) after weeks of speculation between a possible tie-up involving one of Fort Collins' largest private employers. HP's board said it unanimously rejected a \$22 per share offer from Xerox, calling it both unsolicited and an undervaluation of the computer maker. HP also raised concerns about the large debt load the combined company would carry. However, in a letter sent to Xerox's board, HP said it remains open to exploring a combination between the two companies in the future.

**PCD Engineering Inc.**, a Longmont-based building design and engineering firm that focuses on energy efficiency and performance, merged with Denver's **Lightly Treading Inc.** The combined company will offer an increased scope of in-house advisory services for building envelopes, which serve as a barrier between a structure's exterior and interior features.

**The Cigarette Store Corp.**, known as **Smoker Friendly**, acquired **Smoker's Outlet**, a 33-store chain based in Missouri. Smoker Friendly has 102 stores in several western states and Florida.

**Aleph Objects Inc.** of Loveland, at one time one of the fastest growing companies in Northern Colorado, agreed to an asset sale, which includes the well-known LulzBot 3D printing brand. Buyer is **Fargo Additive Manufacturing Equipment 3D** (FAME 3D), a Fargo, North Dakota, company. Aleph announced in October that it was laying off 80 percent of its workforce in an effort to stay afloat until a sale could occur.

**Columbia Care Inc.** (OTCQX: CCHWF), a New York-based firm publicly traded in Canada, acquired **The Green Solution LLC** in a deal valued at \$140 million. TGS, Colorado's largest pot retail chain, operates 21 dispensaries, including locations in Longmont and Fort Collins.

Please see **Briefcase**, page 35



presents



**Keynote: RICH WOBBEKIND**, CU Leeds School of Business

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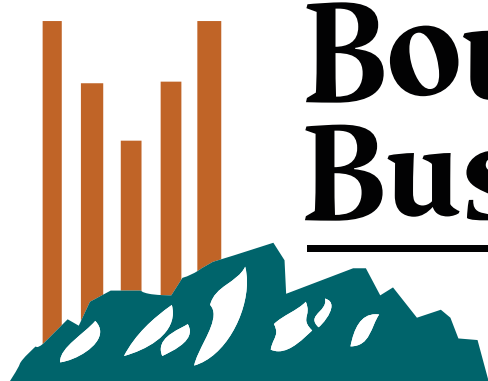
The Boulder County Business Hall of Fame mission is to research, document and recommend for induction into the Hall of Fame those individuals who have been instrumental, through business-related efforts, in providing direction, energy and support to the shaping of Boulder County since its inception.

**NOMINATION AND SELECTION CRITERIA:**

The Boulder County Business Hall of Fame Board of Directors is seeking nominations for individuals whose business-related efforts have resulted in community-wide economic, social and/or cultural benefits that not only have had an immediate positive impact on Boulder County and its citizens, but an impact that will be evident in decades to come.

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**JEFF STEIB**  
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**OLIVIA WAGNER**  
VOCO Creative, LLC,  
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Copywriter

**Leaders from a mix of industries concluded the BizWest Leadership Academy on Nov. 15. The five-session academy launched in September as a mechanism for promoting conscience leadership development through a mix of personal strengths assessment, coaching, custom curriculum and a lineup of featured CEO guest speakers.**

### Here's what alumni are saying about the academy:

*"The BizWest Leadership Academy helped me identify key tools to advance my personal growth as a leader. I gained a network of peers that I am comfortable leaning on for advice and support as our careers grow!"*

*"I would like others to know that it isn't just a class or a lecture. It's a hands-on holistic experience based around the idea of leadership. The content was never stagnant."*

*"It is an amazing opportunity to learn from extremely knowledgeable and passionate individuals. Material, information and tools that can be immediately implemented. I absolutely loved it."*

*"BizWest Academy is a leadership course that takes your thinking of leadership to a whole new level! Each session you are guaranteed, yes I said guaranteed, to gain new perspectives and applicable ideas to help your leadership style and your team grow!"*

*"This is a great opportunity to stretch outside of your comfort zone. It will teach you strategies and ideas that may not have even been considered. The talented presenters, CEOs, and facilitators are incredibly effective at presenting effective, real-world ideas."*

#### FACILITATOR



**JESSICA HARTUNG**  
Founder, Integrated Work

Jessica Hartung of Integrated Work built the course material and facilitated each of the five sessions. **Gerry Agnes**, President & CEO of Elevations Credit Union, **David Barnett**, Founder & CEO of PopSockets LLC, **Dan Dupuis**, CEO & Founder of ECHO Listening Profile, **Brook Eddy**, Founder & CEO of Bhakti Chai, **Adrian Tuck**, CEO Uplight were guest speakers for the academy's inaugural year. They spoke on topics ranging from humble leadership, best practices for building a fast-growing company, creating and maintaining company culture, managing through crisis and building a management team you can trust.



**Briefcase**, from 32

The owner of a swath of car dealerships in Greeley, Loveland and Longmont added two Fort Collins car dealerships to its holdings. Ed Tynan said he sold the family-owned **Tynan Nissan** and **Tynan Kia** dealerships, at 5811 S. College Ave. and 2849 S. College Ave. respectively, to the Weibel family so his family could retire. The dealerships will replace the Tynan moniker with "Fort Collins" in their names. The sale gives the Weibels ownership of six separate dealerships in Northern Colorado and Longmont. The family already owns **Loveland Ford**, **Valley Subaru** of Longmont, **Valley Nissan** and **Mitsubishi** of Longmont, **Greeley Nissan** and **Volkswagen** and **Prestige Chrysler/Dodge/Jeep/Ram** in Longmont. Terms of the deal were not disclosed. The Weibels don't plan to reduce headcount at either of its new locations.

**Molecular Products Inc.** acquired Pennsylvania chemicals company **O.C. Lugo Inc.** in a bid to sell more oxygen supplies to U.S. defense agencies. The deal was closed Oct. 30. Molecular Products declined to disclose the financials of the acquisition. O.C. Lugo's main product is chloride candles, which produce oxygen when burned in situations where air is scarce, such as in underground mines or submarines. It has signed 219 contracts over its lifespan with the U.S. Defense Logistics Agency and the U.S. Navy, according to federal contracting data.

**Lathrop Gage LLP**, a Kansas City-based law firm with offices in Boulder and Denver, is merging with Minnesota-based firm **Gray Plant Mooty PA** to form **Lathrop GPM LLP**. The merger, effective in January, will create a combined 400-attorney, 14-office firm. The deal will not impact operations at existing Lathrop Gage offices, including on Junction Place in Boulder.

**Biodesix Inc.**, a Boulder-based lung-cancer diagnostics company, completed its acquisition of U.K.-based **Oncimmune's laboratory** and incidental pulmonary nodule malignancy test in the United States. Oncimmune's U.S. commercial and lab operations, including a clinical laboratory in DeSoto, Kansas, are now operated by Biodesix.

Toronto-based software producer **Cority Software Inc.** purchased **Axion Health Inc.** in Broomfield as part of its employee-health division. The price was not disclosed. Axion produces software for hospitals to monitor workplace injuries and manage health-code compliance.

**Pilgrim's Pride Corp.** (Nasdaq: PPC) closed its buyout of British pork producer **Tulip Ltd.**, giving it the second-largest prepared foods maker in that country. The Greeley-based chicken producer said it paid former owners **Danish Crown AmbA** the British Pound equivalent of \$354 million USD in an all-cash deal.

**VMWare Inc.** (NYSE: VMW) closed its \$2.1 billion acquisition of **Carbon Black Inc.**, meaning about 120 employees working out of a 1433 Pearl St. office in Boulder have a new employer. In filings with the U.S. Securities and Exchange Commission, VMware said Carbon Black, which builds cloud security software, would form a new security business for the Palo Alto-based virtual computing company. The merger finished months ahead of schedule; VMware previously said it expected the deal to close in January.

**Radiology Imaging Associates PC** of Englewood will join with 20 physicians from **Rocky Mountain Radiologists PC** to create a practice with more than 120 radiologists on Jan. 1. Rocky Mountain Radiologists has multiple locations in Colorado including Touchstone Imaging outpatient imaging centers in Lafayette and Superior. Radiology Imaging Associates operates radiologic services for **Banner Health** in Northern Colorado including Banner's hospitals in Loveland and Greeley, as well as numerous clinics.

**Madwire LLC**, a Fort Collins-based technology company that provides business-management and marketing software, acquired **SpaceCraft LLC**, a cloud-based web-design company based in Austin, Texas. Terms of the deal were not disclosed. The purchase marks Madwire's second acquisition in 15 months, coming after the acquisition of Loveland-based payments company **SilverEdge LLC** in 2018.

The \$397 million takeover of nutrition bar maker **One Brands LLC** by **The Hershey Co.** (NYSE: HSY) provides an opportunity for the Boulder-based firm to develop new products and reach consumers in additional retail outlets. One Brands, which manufactures One Bar protein snacks, began merger conversations with several large food conglomerates about

a year ago. The deal was announced in late August and closed in October.

**MOVES**

**RockyMounts**, a bike rack and mount maker formerly based in Boulder, settled into a new, temporary headquarters in Grand Junction. The firm, founded by Bobby Noyes, plans to build a permanent home at Grand Junction's Riverfront at Las Colonias business park, but difficulties working with the city to secure a long-term lease at the site have delayed groundbreaking. RockyMounts announced in June 2018 that it would leave Boulder for the outdoor industry-focused business park in Grand Junction, citing rising costs along the Front Range as one of the reasons for relocation.

**The High Plains Library District** board, based in Greeley, voted to assume the contract on the purchase of the **Greeley Tribune** building at 501 Eighth St. The building, bought for \$4 million, will become the permanent location for the downtown Greeley library. The Tribune and its related publications will move to an undetermined location in Greeley. The library has been without a permanent home since its prior location was razed to make room for the DoubleTree by Hilton Greeley at Lincoln Park hotel and conference center. It is currently in temporary space at 1012 11th St. in Greeley.

Local beverage manufacturer **Rowdy Mermaid Kombucha Inc.** outgrew its existing Boulder headquarters, production and shipping facility and moved into a new 29,000-square-foot space in the city. The company's new facility, which will allow the company to boost production 20-fold, is at 5311 Western Ave., adjacent to Vapor Distillery.

**NAME CHANGES**

**DaVita Inc.** rebranded its **DaVita Health Solutions** unit as **Vively Health**, providing in-home primary care for high-risk, chronically ill patients.

**Independent Bank**, a subsidiary of Independent **Bank Group Inc.** (Nasdaq: IBTX), began rolling out its new name, **Independent Financial**. The McKinney, Texas-based bank, which acquired Denver-based **Guaranty Bancorp.** (Nasdaq: GBNK) Jan. 1 for \$1 billion, began notifying customers of the change, which was first announced in May. Independent Financial operates branches in Berthoud, Brighton, Boulder, Eaton, Fort Collins, Greeley, Longmont, Loveland and Westminster.

**OPENING**

**Ziggi's Coffee**, tradename for Longmont-based **BEC Longmont Inc.**, opened its 20th location Nov. 14, this one at 14325 Lincoln St. in Thornton. That location is the second for franchise owners Zdenek Dendis and Natalie Lord, who opened their first Ziggi's in Westminster less than a year ago. The new location features an indoor café and a drive-through.

**Wing Shack**, a chain of chicken restaurants launched in Garden City, opened its seventh location, this one in Longmont, on Nov. 12. The chain also has locations in Fort Collins, Loveland, Windsor and Cheyenne.

A new **Snarf's Sandwiches** restaurant location is open in Boulder, the city where the local chain got its start. **Snarf's LLC**, which operates three existing Boulder sandwich shops and more than a dozen others along the Front Range, Missouri and Texas, took over the Jersey Mike's Subs storefront at 2660 Pearl St.

The highly anticipated and long-delayed **Tesla Inc.** (Nasdaq: TSLA) showroom in downtown Superior appears to be still on track to open. Early this year, the Silicon Valley-based electric-car maker announced that it would attempt to cut costs by shifting its sales strategy away from brick-and-mortar dealerships. However, Tesla has since filed documents with the U.S. Securities and Exchange Commission suggesting that it had decided against such a drastic move away from physical dealership spaces. Approved by Superior town leaders in early 2018, the 22,000-square-foot sales and service center at the corner of McCaslin Boulevard and Marshall Road was initially expected to open in spring 2019.

**Nékter Juice Bar**, 3260 S. College Ave. in Fort Collins, held a grand opening Nov. 9. Co-owners of the new business are Jason and Sabrina Steele. The bar is the first Nékter Juice Bar in Northern Colorado. The bar features fresh juices, cold-pressed juice cleanses and acai bowls. The 1,400-square-foot space has indoor seating.

Please see **Briefcase**, page 37

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## CEO ROUNDTABLE BW

# Natural, organic product makers adjust to evolving retail, e-commerce environment

Executives from the natural and organic product industry gathered in Boulder for BizWest's CEO Roundtable. Those participants included (from left):

**George Berg**, Berg Hill Greenleaf Ruscitti LLP; **Jared Crain**, Berg Hill Greenleaf Ruscitti LLP; **Tom Spier**, Boulder Food Group; **Vincent Love**, Sunrise Strategic Partners, **Ashley Cawthorn**, Berg Hill Greenleaf Ruscitti LLP; **Sam Hunziker**, WishGarden Herbal Remedies; **B.J. Howard**, Made in Nature LLC; **Alex Cloth**, Claremont Foods LLC; **Doug Brent**, Made in Nature LLC; **Jonathan Fox**, Eco Vessel LLC; **David Whelan**, Community Banks of Colorado; **Bob Bond**, Plante Moran; **Christopher Algea**, Keen One Foods.

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<https://bizwest.com/2019/11/13/natural-organic-product-makers-adjust-to-evolving-retail-e-commerce/>



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



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Handel Information Technologies  
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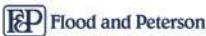
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Briefcase, from 35

Fort Collins-based **Numerica Corp.**, which recently opened a branch office in Colorado Springs, has now opened another branch office, this time at 1801 Wewatta St. in Denver. Numerica is a research and software development company that tackles difficult issues in the defense and space industries.

Swiss private equity firm **Partners Group** is operating its North American headquarters out of a new office campus in Broomfield's Interlocken development.

**Eldora Ski Resort** opened Nov. 1 after a storm dumped up to 16 inches of snow on the area. The resort, about 21 miles west of Boulder, saw its earliest opening in more than two decades.

Bethesda, Maryland-based aerospace and defense contractor **Lockheed Martin** (NYSE: LMT), which has long had a presence in Boulder, expanded its Boulder County footprint with the recent lease of office space within the Xilinx Inc. campus in Longmont. Lockheed took on roughly 37,000 square feet at the southwest Longmont office. Lockheed Martin leased the entire 171,000-square-foot Spine Road building, where the company employs roughly 450 people who support its Space Systems business.

A new brewery is coming to Westminster's northwest corner. **James Coulter**, formerly of **Colorado Plus Brewpub** in Wheat Ridge, will run **Zymos Brewing** as its head brewer after he and other co-owners signed a 10-year lease for just more than 4,200 square feet at 7691 W. 88th Ave. The brewery is scheduled to open in late March or early April.

A former **New Belgium Brewing Co.** and **Weld-Works** brewer is taking the last 6,000 square feet left in the Windsor Mill to start a new taphouse. The new brewery, dubbed "**Peculierales**," is due to open next spring. The **Windsor Mill Tavern** and Italian restaurant **Cacciatore's** opened in October in the building, which recently was rebuilt after an arsonist nearly destroyed the entire historic site.

**Sushi-Rama**, a conveyor belt sushi restaurant concept by Denver chef Jeff Osaka, will fill the last vacant retail space at the Arista mixed-used development in Broomfield. The Broomfield restaurant at 8181 Arista Place is Osaka's fifth Sushi-rama location. It is expected to open in early 2020.

**Maxar Technologies Inc.** (NYSE: MAXR) is preparing to open a satellite office in St. Louis, just miles away from a major hub for American intelligence gathering. The company, which produces satellite imaging and supports space missions, said it would rent office space to house 48 employees in downtown St. Louis. The office is less than three miles from the current and future campuses for the U.S. National Geospatial Intelligence Agency.

**Mile High Labs Inc.** cut the ribbon on its 400,000-square-foot CBD plant in Broomfield in October as it plans a years-long ramp-up to make pharmaceutical-grade cannabinoids the industry standard. The company believes the plant positions it and the Front Range as the epicenter of the CBD industry around the world, Mile High CEO Stephen Mueller said to a gathering of employees and local officials in the building cafeteria. Mile High announced that it would buy the plant, a pharmaceutical plant formerly owned by Sandoz Inc., for about \$18.8 million in June.

PRODUCT UPDATE

A Dacono-based custom vehicle manufacturer began production on its first **EarthRoamer LTI**, a carbon-fiber off-road recreational vehicle that will set back its buyers by up to \$700,000. The new vehicle, built on a Ford frame, is cheaper than the other models it produces. EarthRoamer is the trade name for **Xpedition Vehicle Service LLC**, owned by Bill Swails.

**Misty Robotics Inc.**, a Boulder-based spinoff of **Sphero Inc.**, made its **Misty II** robot available for purchase by the general public. The professional-grade programmable robot, which has business, educational, research and personal applications, had previously been available only to supporters of Misty's past crowdfunding efforts. Applications for the robot range from home inspections to environmental monitoring to autism-care therapy. Misty II retails for \$3,199, and products are generally shipped within a week of being ordered.

**Boomers**, a magazine for BizWest's older readers — or those interested in issues affecting the Baby Boom generation — has been published and is

available on the BizWest website. This year's edition of the publication, which includes lists of businesses that have services for older generations, also includes multiple articles.

**Insights**, BizWest's compendium of success stories involving executives of companies from Northern Colorado and the Boulder Valley, has been published and is available online at BizWest.com. Each month, BizWest publishes at least one executive profile and one One-on-One question and answer feature. These are gathered together into Insights, a magazine that details how numerous executives and companies achieved success. Suggestions for future stories can be sent to news@bizwest.com.

**Biodesix Inc.**, a company developing rapid-screen tests for lung cancer, secured a patent for its blood sample collection device. The U.S. Patent and Trademark Office issued the patent on Sept. 24, which describes how the device separates a blood sample into liquid and solids before it's sent off to a lab for testing. The device doesn't have to be kept cold or be shipped in a traditional larger single-use container to keep the sample stable enough for testing, the company said.

**Meyer Natural Foods LLC**, a Loveland-based supplier of organic beef, has introduced a line of plant-based burgers. The new burgers, which are sold under the **Laura's** brand name, are gluten-free and made with 100 percent plant-sourced protein.

SERVICES

Construction of fiber-optic lines to facilitate high-speed internet services to customers throughout Loveland has begun. Briana Reed-Harmel, municipal fiber manager for the city of Loveland's new utility, called **Pulse**, said contractors engaged by the city were to begin to bore underground in order to lay fiber-optic lines as installation of four additional service huts continues in strategic places around the city. The first of those huts, or substations, was installed at the city service center, 200 N. Wilson Ave. A total of five huts will be installed by the end of the year.

Multiple Northern Colorado health organizations partnered with the **Loveland Housing Authority** to provide a mobile health-care service for use by low-income housing areas served by the authority. Called **Loveland Health Care-A-Van**, the program provides a mobile clinic that brings medical professionals to neighborhoods. The professionals will provide on-site medical services and wellness screenings to the community with emphasis on residents of the Loveland Housing Authority but the services are open to the community. The mobile clinic is facilitated through **Aspire3D**, a new nonprofit focused on creating initiatives in three of Loveland Housing Authority's low-income communities.

The **Colorado Secretary of State's Business Intelligence Center** and the **University of Colorado Leeds School of Business' business research division** launched an online workshop to help users better access and interpret publicly available business information. The workshop is available for free online at [www.sos.state.co.us/pubs/info\\_center/training.html#bic](http://www.sos.state.co.us/pubs/info_center/training.html#bic).

**The Wyatt Fort Collins**, an apartment community on Straus Cabin Road, is the first in Colorado to be fully connected to **Xfinity Communities**, a smart home automation application. Xfinity Communities allows renters and property managers to monitor thermostats, water leaks and door locks. Xfinity Communities is a service of Comcast Corp. (Nasdaq: CMCSA), which recently announced it would close its call center in Fort Collins, leaving up to 237 workers uncertain about the future of their jobs.

**Boulder Community Health** switched to a new electronic patient recordkeeping system Oct. 1. The health care nonprofit said it switched its patient recordkeeping system to **Epic Electronic Health Record**. The new system includes an online portal that allows patients to view test results, send messages to doctors, schedule appointments and pay bills from a computer or smartphone. BCH previously had two different recordkeeping systems at once.

Estes Park's electrical service has turned on **Trailblazer Broadband**, the city-owned fiber internet utility. The service is only available at the moment for a small neighborhood on Estes Park's north side, but the utility plans to start construction in phases to eventually connect most of the city by fall 2022. The city is piloting service for a handful of customers. Once the city is connected, construction will start to connect every **Estes Park Power & Communications** customer, which includes residents of Glen Haven to the north and Allenspark to the south.

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BizWest photo/Dan Mika

CEO

ROUNDTABLE

BW

## Boulder Valley brewers ponder the future after New Belgium sale

Attendees from the brewing industry gathered in Boulder for BizWest's CEO Roundtable. Those participants included (from left): **Dale Reeder**, Railsend Beer Co., **Drew Mattox**, Plante Moran, **Davin Helden**, Liquid Mechanic Brewing Co., **Bob Baile**, Twisted Pine Brewing Co., **Mark Changaris**, Berg Hill Greenleaf Ruscitti, **Abigail Intolubbe-Chmil**, Asher Brewing Co., **Jeffrey Green**, Very Nice Brewing Co., **Chad Melis**, Turn It Up Media, **Shawnee Anderson**, Colorado Brewers Guild, **Michael Memsic**, Sanitas Brewing Co., **Dale Katechis**, Oskar Blues Brewing.

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NONPROFIT NETWORK

BRIEFS  
Credit union, United Way partner for \$50K giveaway

Premier Members Credit Union is giving members a chance to win \$50,000 toward their rent or mortgage. Promotional tickets for the Artisans of Giving event will be distributed through Dec. 3 to members who make a donation to Foothills United Way/Mile High United Way. The winner's name will be drawn and announced the week of Dec. 16. For more information on the Artisans of Giving campaign, visit pmcu.org/givingevent.

FUNDRAISERS  
Community foundation, nonprofits set \$2M goal for Colorado Gives Day

The Community Foundation of Northern Colorado and #NoCoGives, together with Larimer County nonprofit organizations, have set a \$2 million goal for philanthropic gifts on Colorado Gives Day, which is Dec. 10. Colorado Gives Day is an annual statewide movement to celebrate and increase philanthropy through online giving. The online channel for gifts to nonprofits in Northern Colorado is NoCoGives.org. The Community Foundation of Northern Colorado, to help prepare nonprofits for Colorado Gives Day, will sponsor a nonprofit rally at 11:30 a.m. Dec. 3 at the community foundation office, 4745 Wheaton Drive in Fort Collins. At that event, nonprofits will have access to marketing materials. In Larimer County, 220 nonprofits are participating; that list can be found at NoCoGives.org. Donations can be scheduled before the actual Colorado Gives Day and will count toward the goal for that day.

GOOD DEEDS  
The Centerra master-planned community in Loveland, in partnership with High Plains Environmen-

tal Center, organized a fall community give-back day. Volunteers from local businesses and residents came together to clean up areas along the Centerra trail system and lakes which are managed by local nonprofit HPEC. Volunteers included University of Northern Colorado — Loveland Center, Employer Solutions Group, DMB Community Life, McWhinney, HPEC and Lakes at Centerra residents. Volunteers collected debris and pulled weeds along Equalizer Lake, Houts Reservoir and open spaces to help support HPEC and the community areas it manages and maintains. During the two-hour event, volunteers filled 30 bags and the donated time equated to a value of more than \$1,000.

Marketer marks anniversary with \$30K donation

Huebner Integrated Marketing LLC, a Loveland-based marketing firm, will donate \$30,000 of pro bono services to a child/orphan-focused nonprofit organization in recognition of the firm's 30th anniversary. The nonprofit chosen will be selected just before Christmas, and the marketing services will be delivered throughout 2020. To be considered for the gift, nonprofits should be children/orphan-focused and may apply via a request for information form, accessible via email from the company. One nonprofit will be selected. Upon final selection, the Huebner team will provide branding and marketing expertise, communication materials, board guidance, website enhancements and public relations/social media tools and coaching. Request-for-information forms can be requested at info@huebnermarketing.com.

Credit union employees aid Habitat for Humanity

Blue Federal Credit Union, a Wyoming-based institution with branches in Boulder, Broomfield, Fort Collins, Lafayette and Wellington, recently helped local Habitat for Humanity efforts in Cheyenne and Loveland. Branches were closed last month for Columbus Day — or Discovery Day, as the company

calls it — to give employees the opportunity to volunteer their time.

GRANTS  
Elevations Foundation awards community grants totaling \$66.4K

Elevations Foundation awarded a total of \$66,400 in grants to 19 local nonprofits serving Front Range communities through its annual community grants program. This included a \$2,000 grant for the first Elevations Members' Choice Award recipient, Healing Warriors Program in Fort Collins. The grants were awarded at the 2019 Annual Grantee Reception, held Nov 14 at Elevations Credit Union's Diagonal Branch in Boulder. Other grant recipients in Northern Colorado and the Boulder Valley include Fort Collins-based Audubon Rockies, Early Childhood Council of Larimer County, Respite Care Inc., the Growing Project and the Center for Family Outreach; Boulder-based Boulder Community Broadcast Association/KGNU, Earth's Table, Growing Gardens, Ignite Adaptive Sports and Ocean First Institute; Lafayette-based Second Wind Fund of Boulder County and WOW! Children's Museum/World of Wonder; Loveland-based Read Aloud Loveland and Heart-J Center for Experiential Learning at Sylvan Dale Ranch; Longmont-based Colorado Therapeutic Riding Center; Broomfield-based FRIENDS of Broomfield; and Greeley-based High Plains Library District Foundation.

Hoovers donate \$1M to FRCC's manufacturing program

Local philanthropists Suzanne and David Hoover will donate \$1 million over a period of five years to Front Range Community College, with half of that total earmarked for the purchase of manufacturing training equipment for the college's new Center for Integrated Manufacturing in Longmont. The 27,000-square-foot facility, which opened earlier this year, is home to FRCC's programs for precision

machining technology, optics technology, automation technology and electronics technology. David Hoover is the former chief executive of Ball Corp., a Broomfield can-manufacturing giant with a large aerospace division. In addition to the manufacturing equipment, the donation will be used to establish the Hoover Family Endowment to fund scholarships for FRCC students.

First Nations Institute receives healthy food program grants

First Nations Development Institute, a Longmont-based nonprofit group that assists Native American tribes, received a pair of grants to help fund its Farm to School programs, which increase children's access to healthy foods. First Nations' Continuing the Tradition of Indigenous Farming and Environmental Stewardship project was given a \$100,000 grant from the U.S. Environmental Protection Agency. The U.S. Department of Agriculture provided \$50,000 for food and health training programs.

Crossroads Safehouse receives \$449,513 grant

Crossroads Safehouse, a Fort Collins nonprofit, will implement its Road to Home Rapid Rehousing program as a result of a three-year, \$449,513 grant from the Office on Violence Against Women, U.S. Department of Justice. The program will provide victims of domestic violence who are exiting emergency shelter with financial, rental, and housing-search assistance to help them find and maintain permanent housing, free from the threat of violence and abuse. Crossroads Safehouse has secured partnerships with seven community agencies to provide supportive services for the Road to Home program, including the city of Fort Collins Social Sustainability Department, Colorado Health Network, Connections, Free Our Girls, the Northern Colorado Continuum of Care, Northern Colorado CAHPS, Project Self-Sufficiency and the Sexual Assault Victim Advocacy Center.

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# People wisdom from... veterinarians

**K**iwi, I was told in a stern and sterile manner, needed all of her teeth removed. The doctor, assuming I had neglected this innocent animal, gave me a look very much like my dad listening to a neighbor describe the bat, the ball, and the broken window. Yes, the exotic red bengal cat had been neglected. The veterinarian was pissed — that's one of many reasons why I admire them.

For almost 10 years, I've had the privilege of working with veterinarians in their clinics, animal hospitals and at national conferences in the U.S., Canada and Australia. These professionals endure veterinary school, internships, residencies and emerge with crushing debt largely because they love working with animals. My observations show that these doctors of veterinary medicine (DVMs) have



**LEADERSHIP**  
RICK GRIGGS

valuable insights into working with another species called humans.

**Start with kindness and love** — The real world throws cold water on many dreams. Even so, it's better to start with a dream or something you love. Like the veterinarian's early love of animals, you and I can also be guided toward work and careers that we love. It may take longer to break through and many years to gain that sense of success, but a base of kindness and love is a great place to start.

**Discipline like clockwork** — Good veterinarians understand discipline. For us humans, this suggests structure and regimen. I believe it also underscores building and maintaining good habits. I can always tell when a dinner guest sneaks a bite of food to my new dog Amber — she begs for weeks. Broken habits cause trouble. We humans wonder why our lives and careers zig-zag between goals and wishes and heartbreaks. Part of the answer lies in our habits.

**Tend to the business** — Successful veterinarians learn to combine their love for the animal with the requirements of the business. One without

the other will create hardship and disappointment. I suggest the 60/40 rule: expect that 60 percent of your professional life will relate to the planning, marketing, communicating and assessing needed to keep going. Forty percent (if you're lucky) will relate to doing what you love. This is good and you are blessed. Those who expect these numbers to be inverted sometimes become bitter and depressed.

**Restrain bad behavior** — Whether from friends and family or co-workers, superiors and employees, learn from those who work with animals and put a stop to bad behavior. Bad behavior is anything that harms others or makes it difficult or impossible to achieve the needed results of the business.

**Admit when the end is near** — This is a tough one. The worst mistake I made with a pet was waiting too long to put my dog down. At the end of her life, Belle had good days and bad. I magnified the joy of her good days and rationalized waiting to end her life. She suffered tremendously. I finally learned what my

vet friends and clients had tried to teach me — when it's time, it's time. It's selfish to make others suffer when you can't process bad news.

**Plan ahead to sell** — If you want to reap the rewards of your studies, efforts and sacrifices, get serious about cashing in.

No need to get greedy or cutthroat; just plan early to take care of yourself and the business.

Kiwi, the red bengal, came to me from friends desperate to save her from feline bullies in the household. Their thrill in finding her a good home must have sparked a bit of amnesia concerning her advanced periodontal disease. I agreed to the extractions and she ate dry food just fine without a single tooth. I, however, still have suspicions of being placed on PETA's (People for the Ethical Treatment of Animals) hit list.

*Rick Griggs is a former Intel Corp. training manager and inventor of the rolestorming creativity tool. He speaks on balance, teams and the confidence of Napoleon. Reach him at 970-690-7327.*

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# BW REAL DEALS



LUCAS HIGH/BIZWEST

The office space at 5360 Sterling Drive is owned by real estate investment firm Ivy Realty.

## Is Apple taking a bigger bite in Boulder?

By Lucas High  
lhigh@bizwest.com

**BOULDER** — It's been nearly a year since Apple Inc. (Nasdaq: AAPL) announced plans to add hundreds of new jobs in Boulder. And while rumors have swirled since that December 2018 news, Apple has been mum about its specific plans for spreading its Boulder roots.

Details on Apple's Boulder operations remain scant, but BizWest can confirm that the Cupertino, California-based company has taken over office space in a business park on the 5300 block of Sterling Drive.

While there is no exterior signage to indicate who occupies the locked and secured building at 5360 Sterling, Apple's ubiquitous logo — a round, silver apple shape with a bite taken from its right side — is clearly visible on the wall of a first-floor lobby.

The office space at 5360 is occupied. On a Friday morning in late November, the parking was mostly full, and there were electric cars being charged at stations in front of the building.

In December, Apple announced plans to build a \$1 billion campus in Austin, Texas, establish new corporate sites in Seattle, San Diego and Culver City, California, and expand operations in Boulder, Pittsburgh and New York. This growth is part of the firm's plans to create 20,000 jobs in the

United States by 2023.

Multiple requests over the past year — including several made last month — to Apple for comment regarding its Boulder operations have been ignored by the company.

The property at 5360 Sterling is owned by Ivy 5360 Sterling Property LLC, Boulder County property records show. That entity is a holding company registered to the New Jersey address of real estate investment outfit Ivy Realty.

Ivy did not respond to messages left with the firm's local leasing contact and Connecticut corporate offices.

Ivy owns a quartet of adjacent buildings in the business park: 5300, 5305 5330 and 5360 Sterling.

The 20-year-old building occupied by Apple, which is roughly 40,000 square feet and sits on about two acres, was bought by Ivy in late 2017 for nearly \$5.5 million, property records show. The 2017 sales price for 5330 Sterling was more than \$6.4 million. Earlier this year, Ivy bought 5300 and 5305 Sterling for \$8.75 million. Real estate investment services firm Jones Lang LaSalle IP Inc. arranged bridge financing for Ivy to purchase those properties. In total, Ivy owns about a half-dozen commercial and industrial properties in Boulder, including several office buildings in Gunbarrel.

According to an August news

release from Jones Lang LaSalle about Ivy's Boulder property purchases, Ivy was "leasing the [5360 Sterling] property to a multinational technology company." Apple certainly fits that description.

"The property location provides access to a highly educated talent pool and one of the highest concentrations of software engineers in the country," the JLL release said.

W.W. Reynolds Cos., Boulder-based developer and commercial real estate landlord, has posted several online leasing brochures for Ivy's Sterling Drive properties. The listing brokers did not respond to questions from BizWest.

Additional evidence of Apple's growing Boulder operations is available on the tech firm's job board. Apple is hiring for several positions in Boulder, including software engineers and a facilities coordinator.

Apple has declined in the past to disclose specific employee counts for its Boulder offices, but has provided a range of 100 to 250 employees. That headcount could jump to 250 to 500 by 2022.

Boulder is increasingly becoming a popular hub for Silicon Valley-based tech behemoths. Amazon set up shop downtown at 1900 15th St. in 2018 and Google took over the former CA Technologies Inc. offices at 3333 Walnut St. earlier this year.

### PROPERTYLINE

#### HRV Hotel Partners chosen to develop \$130M CU on-campus hotel, conference center

HRV Hotel Partners LLC, a New Mexico-based hotel builder and project management firm, was selected in November by the University of Colorado Board of Regents to lead the development of a new hotel and conference center on the University of Colorado's Boulder campus.

The facility, which will be used for "large and prominent academic, research and other conferences and events," will be located on a roughly 3-acre plot on Grandview Avenue in the northwest corner of campus, according to a CU news release.

The 250-room hotel and a 25,000-square-foot conference center project is estimated to cost about \$130 million to complete.

#### Superior Tesla dealership appears to have green light

The highly anticipated and long-delayed Tesla Inc. (Nasdaq: TSLA) showroom in Downtown Superior appears to be still on track to open.

Early this year, the Silicon Valley-based electric-car maker announced that it would attempt to cut costs by shifting its sales strategy away from brick-and-mortar dealerships. However, Tesla has since filed documents with the U.S. Securities and Exchange Commission suggesting that it had decided against such a drastic move away from physical dealership spaces.

Approved by Superior town leaders in early 2018, the 22,000-square-foot sales and service center at the corner of McCaslin Boulevard and Marshall Road was initially expected to open in spring 2019.

The building sat mostly dormant and nearly entirely built for months. However, crews are currently working to complete the interior of the showroom, and Tesla recently joined the Superior Chamber of Commerce.

#### Greeley library buys Greeley Tribune building for \$4M

The High Plains Library District board, based in Greeley, voted last month to assume the contract on the purchase of the Greeley Tribune building at 501 Eighth St. The building, bought for \$4 million, will become the permanent location for the downtown Greeley library.

The Tribune and its related publications will move to an undetermined location in Greeley.

The library has been without a permanent home since its prior location was razed to make room for the DoubleTree by Hilton Greeley at Lincoln Park hotel and conference center. It is currently in temporary space at 1012 11th St. in Greeley.



## Housing market, 3rd quarter

| City  | # of Attached / Detached Homes Sold (Q3) |         |        | Average Sales Price Attached / Detached Homes (Q3) |           |         |
|---|--|---------|--------|--|-----------|---------|
|   | Q3 2018                                  | Q3 2019 | YOY %  | Q3 2018  | Q3 2019   | YOY %   |
| Berthoud  | 102                                      | 119     | 16.67% | \$462,268  | \$468,976 | 1.45%   |
| Estes Park  | 82                                       | 99      | 20.73% | \$497,276  | \$520,030 | 4.58%   |
| Fort Collins  | 870                                      | 802     | -7.82% | \$419,911  | \$423,999 | 0.97%   |
| Greeley / Evans                                       | 635                                      | 610     | -3.94% | \$289,657  | \$309,690 | 6.92%   |
| Longmont  | 470                                      | 513     | 9.15%  | \$454,377  | \$476,443 | 4.86%   |
| Loveland  | 489                                      | 483     | -1.23% | \$388,363  | \$397,954 | 2.47%   |
| Severance   | 86                                       | 120     | 39.53% | \$431,724  | \$388,421 | -10.03% |
| Timnath   | 69                                       | 84      | 21.74% | \$633,976  | \$577,940 | -8.84%  |
| Wellington  | 86                                       | 99      | 15.12% | \$355,451  | \$361,962 | 1.83%   |
| Windsor   | 269                                      | 343     | 27.51% | \$455,400  | \$461,678 | 1.38%   |
| Ault/Eaton/Johnstown/Kersey/<br>LaSalle/Mead/Milliken | 356                                      | 376     | 5.62%  | \$377,124  | \$389,066 | 3.17%   |
| Totals  | 3514                                     | 3648    | 3.81%  | \$433,230  | \$434,196 | 0.22%   |

Source: IRES

# Housing regains balance after a lengthy sellers' market

We hear it said many times: balance is the key to life. It also pretty helpful in real estate. And after leaning toward sellers for the better part of the past decade, we can say that Northern Colorado's housing market appears to be returning to a state of balance.

It's no secret that our market has largely favored sellers since the end of the Great Recession — a condition characterized by sharply rising prices and even chaotic bidding wars between buyers. By comparison, a balanced market means buyers get choices and don't need to rush to decisions. At the same time, sellers who price their home right and prepare their property to sell will likely be successful.

That's what makes the third quarter real estate statistics encouraging. While we continue to see strong demand, housing inventory — very tight here for several years — is showing signs of catching up. Meanwhile, the pace of price growth is more in line the historical average of about 5.3 percent per year over the past 40 years. And while prices are still climbing at a faster clip than wage growth, the gap between those two factors is closing.

Let's take a closer at what we mean by examining some of the key data points at the end of the third quarter for the four largest sub-markets in Northern Colorado:

### Fort Collins

Home inventory after the third quarter was up 8.1 percent over a year ago. Meanwhile, average sale prices over the past 12 months are up just 1.4 percent, after an increase of 5.5 percent in 2018 and 6.4 percent in 2017. Home sales are down 10 percent, and the number of homes under

contract are off 3.7 percent.

### Loveland

Inventory in Loveland was up significantly — 28.4 percent — while average prices over the past 12 months are up 4.8 percent. That compares to an increase of 3 percent in 2018 and 9 percent in 2017. Total sales have slipped by 3.5 percent, but homes under contract have increased by 3.6 percent.

### Windsor/Severance

Prices have actually dropped in the Windsor-Severance area, down 1 percent over the past 12 months, after dropping 3 percent in 2018. That follows an 11 percent increase in 2017. One reason for the declining prices is a 15.3 percent increase in inventory, including a wave of availability at entry-level prices. Demand is high, reflected in 6.3 percent sales growth and a 33.6 percent hike in contracts.

### Greeley-Evans

After 10 percent growth in average prices in 2017 and 8.5 percent in 2018, homebuyers in the Greeley-Evans area are finding an easier time of it over the past 12 months, with average prices up less than 1 percent (0.52). Inventory has increased 4.9 percent, while total sales are down 2.4 percent and contracts are up 4.8 percent.

It should be noted that available inventory — largely from new construction — is also gaining ground in smaller sub-markets such as Timnath, up 14 percent, and Wellington 71 percent. Berthoud is an exception to the inventory trend, down 9.9 percent. However, demand remains strong, with sales are up 37 percent and contracts up 16.3 percent.

The bottom line: The market is closer to a scenario where both buyer and seller can get what they need.

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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BRANDON WELLS



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CDOT/SHAHN SEDERBERG

The Northern Colorado Regional Airport may add passenger service in 2020.

# Allegiant could announce passenger routes in January

By Dan Mika  
dmika@bizwest.com

LOVELAND — Days before it cancelled its planned routes to and from Northern Colorado Regional Airport, representatives from Allegiant Air Travel Co. (Nasdaq: ALGT) told the U.S. Federal Aviation Administration and the airport that it could re-announce its flight service to and from the airport as soon as January.

The Las Vegas airline said it would move its schedules to January once federal authorities established the virtual air traffic control test project at the site, according to emails recapping an Oct. 17 telephone conference that included multiple officials from the airline, several FAA staffers, airport director Jason Licon and a representative from a third-party air traffic controller.

About a week after that call, Allegiant enterprise project manager Leah Scherr emailed airport and federal aviation officials to set up a meeting to freeze the flight start process and possibly use that toward restarting service in 2020.

“Planning guidance from Network Planning is best case (ATC tower ready), we’d consider (re-)announcing

“The timelines are a kind of a guess; they’re working with a lot of unknowns.”

Leah Scherr, Allegiant enterprise project manager

in January for possibly Spring service,” Scherr wrote.

BizWest obtained the emails from airport officials under the Colorado Open Records Act.

Those discussions took place a few days before and after Allegiant made its announcement to scrap the planned routes from the airport to Las Vegas and Mesa, Arizona. At the time, the company said it was promised on-site air traffic control, but the airport couldn’t receive FAA certification before the start date of Nov. 21.

At that time, Licon told BizWest that Serco Group PLC (LSP: SRP), a British public services company that provides third-party air traffic control to airports in the western U.S., pulled out of contract negotiations in the late stages and left the airport with not enough time to find another provider.

In a phone interview, Licon said Allegiant’s purported change in timeline is why the airport tried to frame the October cancellation as a delay rather than a scrapping of all the flight plans.

Despite failing to find enough air traffic controllers in time for Allegiant’s planned start date, Serco is still the FAA’s choice to provide controllers for the virtual tower test in January.

Licon said both the airport and Allegiant are skeptical of the agency’s promise based on previous events, and described it as a “wait-and-see” instead of something the airport and airline can plan for. However, he thinks the FAA has a more solid plan as it tries to hit its January deadline.

“That’s really the challenge that we have with getting the system operational, that the FAA is working on systems and functionality that’s highly pioneering and we’re excited to be the testbed of that,” he said. “However, the timelines are a kind of a guess; they’re working with a lot of unknowns.”

When reached by email, an Allegiant spokeswoman said the emails were speculative, and any discussions about restarting service at the airport are contingent on having air traffic controllers for the site.

## THE TICKER

### NoCo, Boulder Valley jobless rate ticks up

The unemployment rate in all four Northern Colorado and Boulder Valley counties increased modestly from September to October, according to data from the Colorado Department of Labor and Employment. Larimer County was the lowest in the region, with a non-seasonally adjusted unemployment rate of 2 percent, up from 1.9 percent in September. Boulder County, which also posted a 1.9 percent jobless rate in September, saw the figure increase to 2.1 percent in October. Both Broomfield and Weld counties recorded an October unemployment rate of 2.2 percent, up from 2 percent in the previous month.

### Boulder hotels top NoCo, BV in occupancy, price

Compared with other parts of Northern Colorado and the Boulder Valley, Boulder hotels were the fullest and priciest during October, according to the most recent Rocky Mountain Lodging Report by the Colorado Hotel and Lodging Association. Hotels in the city were occupied during the month at a rate of 79.7 percent and the average daily for a room was \$196.14. Prices for room in Estes Park average \$179.26 in October and the occupancy rate was 63.4 percent. Along the U.S. Highway 36 corridor, rooms were occupied at a rate of 78.4 percent and featured an average rate of \$133.20. In Greeley, rooms were occupied at a rate of 74.9 percent and the average daily rate was \$104.94. Loveland hotels had an average room rate of \$122.61 and an occupancy rate of 71 percent. In Fort Collins, the occupancy rate for the month was 69.4 percent and the average room was priced at \$135.56. Longmont posted October average daily room rates of \$124.31. Hotels were 63.6 percent full during the month.

### New-business filings slow in third quarter

Colorado new-business filings decreased 2.1 percent in the third quarter compared with the second quarter — the slowest growth rate in the last four years, according to a report released by Colorado Secretary of State Jana Griswold. The quarterly report is prepared by the Business Research Division of the University of Colorado Boulder Leeds School of Business. The quarterly report revealed that 31,105 new corporations, nonprofits and other entities filed initial documents with the secretary of state’s office. The filings are up 0.3 percent from the third quarter of 2018. Filings by existing entities remain strong, increasing 3.9 percent from the same period a year ago, with 142,020 third-quarter renewal filings. The report indicates that Colorado’s employment growth will continue to grow over the next six months. Dissolution filings fell 6.8 percent from the second quarter, though they were up 3.7 percent from the same period last year. Colorado’s wage growth outpaced the nation in the third quarter, increasing 3.3 percent compared with 3 percent nationally. Colorado business leaders are turning less optimistic about the economy. The latest Leeds Business Confidence Index slipped below the neutral mark for the first time in several years, with business leaders most pessimistic about the national economy due to political and trade concerns. Building permits decreased 1.4 percent across Colorado over the last year, with single-family and multifamily permits decreasing.



# Devolve to evolve: A recipe for local solutions to local challenges

**I**t was a pleasure to welcome our new city council to the governing dais the other day, calling for renewed collaborative action with the Boulder Chamber to address our community's greatest challenges and secure our most exciting opportunities. As I said, the Boulder Chamber shares their passion and commitment to public service "and looks forward to partnering with [them] in our mission of 'Building Community Through Business.'" This wasn't an idle promise, but a sincere call for partnership in a devolution for the evolution of our community.

City and county agencies and organizations are on the front lines of solving problems that affect people's lives most directly. With increasing dysfunction in our nation's capital, they've had to step up to address big issues we've often considered best addressed by national governments. I'm talking about issues such as climate change, inequality and mobility. And like Washington, there are limits on the ability of local governments to tackle these issues alone, given budgetary and political constraints. However, by combining government, business and nonprofit talent, and resources, we can avoid local gridlock and deliver real solutions.

Government doesn't always have to take the lead. At the Boulder Chamber, we believe the private sector should help shape a proactive agenda for addressing community issues. We also need to engage broader constituencies in our solutions, incorporating the diverse perspectives and inclusive views that are more reflective of our broader community. Finally, it's important to recognize that big problems require long-term efforts. That seems to be a real challenge in Washington, with the failure to fund federal programs that help us keep pace with our most basic infrastructure needs.

Bruce Katz, formerly with the Brookings Institution's Metropolitan Policy Program, describes the process of urban areas taking responsibility for big issues as a "New Localism." Combining resurgent populism with the rising inability to solve issues at the national level, Katz argues that cities need to "re-imagine power" as centers of concentrated attention to problem-solving. I think Katz is right: cities are the places to "get stuff done."

So how do we move forward in applying this new localist power? It starts with a set of common values, as identified in the Boulder Valley Comprehensive Plan. It then takes a big picture approach to problem-solving. For example, we can't tackle air pol-



**BOULDER'S  
BUSINESS CENTER**  
JOHN TAYER

lution and traffic congestion without addressing the growing affordable housing crisis that forces people to live farther from their places of work.

Beyond common values and big picture thinking, there are a few essential elements to designing innovative solutions:

- **Leverage business, nonprofit, government and education sectors.** — We need all sectors of our society working together, creating a seamless collaborative source of creative responses to community needs. That is how we best leverage the talent and innovation each sector possesses and make the most efficient use of limited funding. Boulder, with our strong nonprofit network, leading K-12 and higher education institutions, and a business community with wide-ranging industry insights, is uniquely positioned for such effective broad-based partnerships.

- **Develop regional solutions.** — As the Brookings Institute notes, "Most challenges, after all, span multiple jurisdictions. Carbon emissions don't stop at city borders... The best local climate change plans will reflect regional commuting patterns and industry activities." That's why we're so proud of the collaborative workforce mobility and housing strategies we're pursuing with the Northwest Chamber Alliance, which comprises seven chambers in Boulder and Broomfield Counties. We are a stronger force for addressing regional issues when working together, like funding for the Diagonal Highway, and enjoy collective benefits for the broader area's economic vitality.

- **Drive innovative solutions.** — It takes bold thinking and innovative approaches to solve big problems in a cost-efficient way. We're therefore pleased that the city of Boulder is a participant in the National League of Cities' City Innovation Ecosystems initiative. One of the desired outcomes is attracting civic entrepreneurs to address critical issues facing local government. That falls squarely in the wheelhouse of our innovative business community and we look forward to fostering that creative problem-solving spirit.

At the Boulder Chamber, these collective values are at play in our Boulder Together initiative. Boulder Together is about for-profit and nonprofit "business leadership" in tackling the greatest challenges to our economic vitality and quality of life. We invite you to learn more at [www.bouldertogether.com](http://www.bouldertogether.com). However, no single sector can do it alone. It's "community collaboration" — including our regional and civic partnerships — that will drive the most innovative solutions as we devolve to evolve here in Boulder for Boulder.

*John Tayer is CEO of the Boulder Chamber.*

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Boys & Girls Clubs of Larimer County

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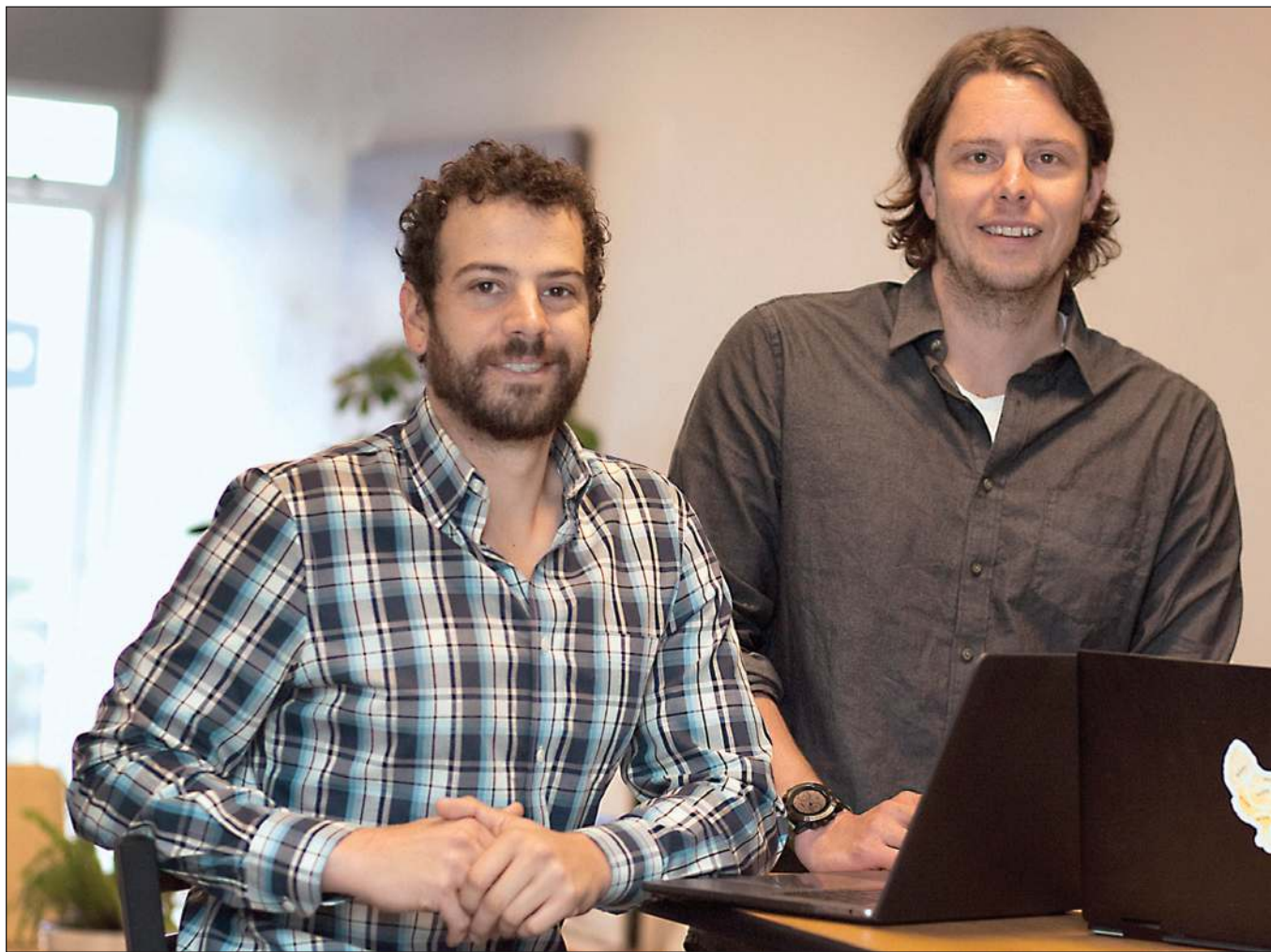


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**BW** S T A R T U P S


JOEL BLOCKER / FOR BIZWEST

Justin Whiteley, left, co-founder and CTO, and Tyler Huggins, co-founder and CEO, both of Emergy Foods, a plant-based protein company based in Boulder, pose for a photo at their new headquarters on Nov. 14, 2019. Emergy's new location will feature a full production laboratory with kitchen capabilities for manufacturing.

# Plant-based meat company sets up shop in Boulder

By Dan Mika  
dmika@bizwest.com

**BOULDER**—If environmentalists, clean food advocates and some investors are to be believed, the plant-based meat market could disrupt the global food supply's reliance on animal products and buoy the already-strong plant-based milk industry. Two Boulder companies, one well-established and one almost brand-new, think they can grab a slice of the burgeoning industry in the home of perhaps the most famous soy milk brand in America.

Over the summer, the Swiss investment bank UBS projected the plant-based meat market could see compounded annual growth of 28 percent as those products become cheaper to make and more widely available to consumers.

If UBS is right, that market could rise from \$5 billion in 2018 to \$85 billion by 2030.

## Turning fungus into steak

So will steakhouses serve beef steaks and plant-based steaks on the

same menu in the near future?

Emergy Inc., led by CEO Tyler Huggins and Justin Whiteley, chief technology officer, believes it can make that idea a reality.

The pair relocated the company to Boulder this summer after moving to Chicago to take a \$6 million U.S. Department of Energy grant to research alternative food production methods requiring less resource inputs and less reliance on waste-producing animals.

The company grows its own protein that mimics the grain of animal muscle. Through a fermenting and marinating process, Emergy is producing something that looks like, tastes like and bleeds like a ribeye or a chicken breast, but without any animal products involved.

The two major plant-based meat players, Impossible Foods Inc. and Beyond Meat Inc. (NASDAQ: BYND), currently make only beef and sausage, which traditionally are made by grinding up whole cuts of animal flesh.

Emergy is preparing to launch its first line of products to the market,

starting with testing and collaborations with restaurant chefs before entering the foodservice market next year. While the company's main difficulty right now is finding the financing to scale up, Huggins and Whiteley already have a vision of building a microbrewery-type facility to grow and ferment the product.

But their biggest goal is to build a fermenting system as large as an Anheuser-Busch or Miller Coors brewery.

"At that point, we can produce a significant amount of protein and make an impact on consumer's lives," Huggins said. "We can bring our price down to where it's about the same price as wholesale meat costs."

The company is planning to launch its Series A funding round next year.

## Plant milk made in Colorado

Recreating animal products with only plant ingredients isn't a cutting-edge concept, as food manufacturers have made milk substitutes with almonds and other nuts for years to cater to the lactose

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## STARTINGLINE

### Boogaloo Beds wins Esprit Venture Challenge

Boogaloo Beds, a medical-device company that seeks to address sleep issues for children with autism, took the top prize Nov. 14 at the Esprit Venture Challenge, securing the \$10,000 cash award. Boogaloo competed against Rogo Fire, which is developing a satellite-communications system designed to enable wildland fire-fighters to communicate in remote areas lacking in cell service, and with ShineOn, makers of a dual-beam bicycle light that makes bike riders more visible. The three companies pitched the audience at the Boulder Chamber's Esprit event at the Embassy Suites in Boulder. After each pitch, presenters were queried by a panel of judges that included Sharon Matusik, dean of the Leeds School of Business at the University of Colorado Boulder; Asa McKee, co-founder and chief executive of Khala & Co.; and Matt Zwiebel, director of Pledge 1% Colorado. Audience members then selected the winner via text voting.

### Two Boulder companies join clean-tech accelerator

Two Boulder companies were selected to participate in the second round of the Shell GameChange Accelerator powered by the National Renewable Energy Laboratory. The lab brought in five clean-tech companies and will help them advance utility grid or electric vehicle charging technologies. The lab in general is a multiyear cleantech accelerator that works to identify and advance the next generation of transformative energy technologies. It partners early-stage companies with experts from NREL to provide startups with access to financial resources, state-of-the-art facilities and technical experts. Each participating startup will receive as much as \$250,000 in funding to aid in development and demonstration of its technology, with the opportunity for future funding, in addition to access to expertise and laboratory capabilities at both NREL and Shell. The Boulder-based companies selected are Hygge Power, which builds smart-home energy storage products that act as intelligent, uninterruptible power supplies for consumer electronics and appliances, and Microgrid Labs, which creates software for modeling, simulation and optimization of vehicle battery and charging infrastructure.

### TrueSpace to extend startup development

Innosphere, a business incubator with offices in Fort Collins, Denver, Boulder and Castle Rock, is collaborating with TrueSpace to help move companies through the next phase of development after completing work within the Innosphere system. TrueSpace LLC, based in Denver, helps companies in what might be considered the second stage of their development. Innosphere, the trade name for Rocky Mountain Innovation Initiative Inc., helps startups navigate the early stages of their development. The collaboration will permit graduates of Innosphere to move onto the TrueSpace program to continue their growth. Two companies so far have graduated from Innosphere to TrueSpace. One is SunTech Drive LLC, a Louisville solar power electronics company. The company grew to about \$2 million in revenue with Innosphere; TrueSpace will help continue that growth to \$10 million or more using a Gallup-certified assessment. The assessment offers companies an instrument to diagnose their businesses. The other company is SurgiReal Products Inc., a Loveland company.



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intolerant population.

One of the largest brands, Silk, was started in Boulder in 1978 by Steve Demos. Despite being part of several acquisitions and spin-offs, Silk's owner WhiteWave Foods Co. is still based in Denver and close to the product's home.

Good Karma Inc., also based in Boulder, makes flax milk and dairy-free sour cream and yogurts. CEO Doug Radi said the company, which employs 16 and is on pace to reach \$30 million in revenue this year, is in the midst of a "perfect storm" for the natural foods industry.

He said millennials and young families are flocking toward plant-based food options for health and environmental benefits and because those brands push transparency in their ingredients, which has led to plant milks taking 13 percent of the overall milk market in the U.S., according to the think tank Good Food Institute.

Currently, UBS estimates alternative proteins account for 1 percent of the overall meat market. Radi said that gives the plant-based meat makers plenty of upside to grow alongside other plant alternative products.

"What you're going to see is that penetration is going to start to spill over to all the other categories," he said.

The key to growing that market share, Radi said, is in promoting the plant-based products right next to the animal products, just as how Demos petitioned grocery stores to put his Silk brand almond milk in the dairy aisle in the 90s.

Plant-based alternatives piggyback off Front Range's natural foods history.

If the plant-based foods industry does take off as predicted, there's a good chance the Front Range will be a destination for budding companies. The trade group Plant-Based Foods Association counts six members in the state, not including Emergy or Silk, and Naturally Boulder already exists as an incubator for new food companies.

There's plenty of customers in the area as well, as Boulder has the highest per-capita consumption of organic foods in the U.S., according to the Boulder Economic Council.

Good Karma moved to Boulder in 2015 to chase potential employees with experience in building natural food brands, Radi said, and he is now part of a cohort group of other CEOs running similar companies in the area.

Huggins and Whiteley laid roots in Boulder when they met as doctoral candidates at the University of Colorado-Boulder. The duo got some pushback when they decided to leave Chicago and its larger investor community, but Whiteley said Boulder had a larger set of specialized workers who could bridge natural foods and the company's research goals.

"These are leaders in that category, and also have a background in biotechnology," he said. "So we're able to bring in some top talent and people who know how to run fermentation



JOEL BLOCKER / FOR BIZWEST

**Doug Radi, CEO for Good Karma Foods, a Boulder-based independent company, poses for a photo at Good Karma Foods' headquarters on Nov. 19, 2019.**

operations."

### **The livestock industry pushes back...**

If it smells like beef, tastes like beef and has about as much protein as beef, is it really beef?

To ranchers and dairy farmers, the answer is a resounding "no."

During its January convention, the National Cattlemen's Beef Association adopted a policy resolution claiming "alternative proteins" were co-opting phrases traditionally applied to animal products and were diluting beef's brand recognition and confusing consumers.

The Colorado Cattlemen's Association also took aim at Gov. Jared Polis in August after he suggested the state agriculture department could look at promoting plant-based meat production in the state.

A \$4 billion industry, Colorado ranchers had 1.05 million head of cattle at the beginning of the year, making it the fifth largest producer of beef among the states, according to data from the U.S. Department of Agriculture.

The cattle milk industry has been just as aggressive in trying to ward off the makers of almond and oat milk, with one dairy farmer suing almond grower cooperative Blue Diamond Growers in December 2018, alleging the name "almond milk" amounted to false and deceptive advertising.

The courts dismissed that case and an appeal, ruling that reasonable consumers aren't likely to confuse almond milk with dairy milk in current advertising.

Radi dismissed those arguments, saying consumer sentiment momentum is squarely on the side of plant-based milk.

"They are choosing plant-based options over animal-based options purposely and with intent and that is not going to change," he said. "So whether I call it flax milk or dairy-



JOEL BLOCKER / FOR BIZWEST

**Good Karma Foods, a Boulder-based independent company, is the leading producer of flaxseed-based milk and yogurt alternatives. Here are a few different products they offer.**

free flax based beverage isn't going to change the trajectory of the consumer. I'm quite confident of that."

### **...but take an omnivore approach**

But while cattle and dairy farmers have taken a strong position against plants masquerading as meat and milk, the companies they supply are trying to get a cut of the market. Industry giants like Tyson Foods Inc. (NYSE: TSN), Hormel Foods Corp. (NYSE: HRL) and Perdue Farms Inc. have all introduced their own plant-based meat brands in the past several years.

Two years ago, milk giant Dean Foods Co. took a majority stake in Good Karma for an undisclosed sum. However, the diversification play couldn't stop the dairy industry's woes from forcing Dean into Chapter 11 bankruptcy in November.

Radi said Dean's bankruptcy has no effect on Good Karma's operations or outlook.

Will plants replace meat? Depends on who you ask.

Radi has a bullish outlook on the future of the natural foods industry, saying the current market size for the industry is already twice what it was at this point a decade ago and has customer enthusiasm on its side.

"I think if you look at the numbers and how much growth potential there is, I think it's very large," he said. "I'm not even sure any of us can articulate how big it is."

Huggins, whose parents own a bison ranch in Nebraska, said Emergy isn't trying to completely replace animal meat. He thinks plant-based meats won't completely cut out demand for animal meat, but reducing that consumption will prove a benefit to the health of humans and of the planet.

"A win for us is that in five years, we're in the Midwest, and people see the value in it," he said. "They see why they would want to do it not only nutritionally, but why it benefits them, the environment, the economy, all of those great things, and they're serving this in little diners in Nebraska."



# BW COMMENTARY

## Blue Bear factoring scandal leaves scars, few answers

**F**ew scandals in Northern Colorado history have left deeper scars than that of Blue Bear Financial, what was a Windsor-based factoring company. The company's collapse in 2005 lost more than \$20 million from more than 400 investors, with many losing their life savings. Most were Northern Colorado residents, including school teachers, real estate professionals, dentists — people from all walks of life.

Initial returns for investors were strong, but the company and its affiliates quickly collapsed amidst what was described in bankruptcy filings as “a Ponzi-type scheme,” with elements of the scandal stretching to Kansas and New Hampshire.

But as the 15th anniversary of the Blue Bear bankruptcy approaches — and as the 10-year life of a trust company formed to dispose of remaining assets ends — those who lost money in Blue Bear's collapse are left with questions and frustration. Their questions are many: How were the people behind Blue Bear able to commence the fraud to begin with? Why were none of the architects of the scheme charged with a crime? Where did all the money go?

Answers to those questions have proved elusive. As BizWest's investigation reveals, many of the law-enforcement officials involved in the Blue Bear investigation have retired, with most unable to remember details of the case. Others refused to comment or did not respond to BizWest's inquiries.

Federal authorities passed on the investigation to local agencies, but those local agencies seemed to lack the expertise or resources to pursue the case far enough to make indictments. Today, most of the statutes of limitations on any potential crimes in the Blue Bear scandal are long expired.

What's clear is that little has changed. Factoring companies — where accounts receivable for a company are purchased at a discount for immediate cash, and the factoring company then trying to collect those receivables — are difficult to regulate. By the time anyone realizes that a problem exists, it's usually too late to prevent enormous damage and losses.

So, Blue Bear investors — and those of related companies — likely will never get the justice they seek. The funds they lost in 2005 will never be recovered, except for fractions of their investments that eventually were paid by a trust company established to pay out any funds that were collected. What investors are left with is a painful sense of betrayal.

Some are too embarrassed to discuss the scandal. The stress and regret remain overwhelming. That's the ultimate legacy of Blue Bear.

## What happens when an icon like New Belgium gets sold?

**I**t wasn't entirely unexpected. Reuters first reported in December 2015 that New Belgium Brewing Co., Fort Collins' iconic craft brewer, was exploring a possible sale, at a valuation of more than \$1 billion.

Still, the company's announcement Nov. 19 that it was being acquired by Australian beermaker Lion Little World Beverages Ltd., a subsidiary of brewing conglomerate Kirin Holdings Co. Ltd., sent shockwaves through the craft-brewing sector and the city that New Belgium has called home since its inception.

The sale is expected to close by the end of 2019. New Belgium's headquarters will remain in Fort Collins, with breweries operating in that city and in Asheville, North Carolina. The companies' press release announcing the sale promises continuity.

“Lion Little World Beverages is committed to protecting and nurturing New Belgium's unique identity, culture and brand as a leader in craft beer,” the companies said. “New Belgium Brewing headquarters will remain in Fort Collins, Colorado, and Steve Fechter will continue as chief executive officer with the management team remaining in place. Kim Jordan will remain deeply involved with the company, and also play a key advisory role in collaborating alongside other leading founders within the Lion Little World Beverages network ensuring the core tenets of craft beverages are aligned with the strategic vision for Lion Little World Beverages in the U.S. and around the world.”

Nonetheless, the pending sale raises fears that something will be lost in Fort Collins, which no longer will have ownership within the city's boundaries.

New Belgium ranks as the nation's fourth-largest craft brewer. The company has been an icon not only in Fort Collins but also throughout the state and nation. Its culture — from charitable donations to employee ownership, from effecting social, environmental and



**PUBLISHER'S NOTEBOOK**  
CHRISTOPHER WOOD

cultural change to providing employees with new bicycles on their one-year anniversaries, has inspired thousands of other crafter brewers (and leaders of companies in other industries).

The company's Fort Collins headquarters/brewery has become a tourist attraction and must-see stop on any brewery tour, along with nearby Odell Brewing Co. and others. Perhaps more than any other company, New Belgium perfectly captures the heart of the city, from its quintessential story of entrepreneurship to its embrace of the triple bottom line (social, environmental and financial).

New Belgium is Fort Collins, and time will tell whether the new owners, with ultimate decision-making in Australia and Japan, will be able to preserve the essence that has made New Belgium an essential thread in the fabric of the city.

To do that, they must listen to Fechter and — especially — founder Kim Jordan. They must continue their charitable giving. They must continue to be a leader in the social, environmental and cultural spheres. They must continue to embrace employees into the ongoing narrative of the company.

Early indications are that the company will do just that. Jordan noted several positive signs in an open letter reflecting on the sale, including that the new owners have asked that New Belgium retain its status as a Certified B Corporation, which means that it's “dedicated to be a force for good in business.”

“Right away, the folks at Little World told us that they were captivated by this model, and they are asking us to retain our B Corp status,” Jordan said.

She also noted that Lion has announced that it will become carbon-neutral at its Australian and New Zealand breweries, beginning in 2020, with New Belgium accelerating its “journey toward carbon neutrality.”

Fort Collins might have lost a locally owned company, but, as Jordan noted, “This is not the last chapter; there's more fun to be had.”

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