

BizWest

THE BUSINESS JOURNAL OF THE BOULDER VALLEY AND NORTHERN COLORADO

VOLUME 39 | ISSUE 5 | APRIL 2020

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BW

READERS' GUIDE

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Goff

"I can't believe how slow the network is today."

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BizWest
BOULDER VALLEY • NORTHERN COLORADO

Volume 39 : Issue 5
April 2020

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■ **Northern Colorado Real Estate Summit**
June 18, 2020
The Ranch, Loveland

■ **Bravo! Entrepreneur**
July 22, 2020
Candlelight Dinner Theater, Johnstown

■ **Women of Distinction**
August 13, 2020
TPC Colorado Clubhouse, Berthoud

CORRECTIONS

In the story in the March edition about hospital rating systems, an incorrect number was included in the last paragraph. The information presented referenced the Healthgrades method of rating hospitals and the sentence should have said: "... (I) f all hospitals performed at the 5-star level, more than 222,000 lives could have been saved and 149,000 patients could have potentially avoided complications."

A caption under a photograph that accompanied a story in the March edition about Luna's Taco's & Tequila incorrectly identified the partners in the Greeley restaurant. The story also incorrectly identified the current owners. The cutline should have said: "Ely Corliss, co-owner of Luna's Tacos & Tequila, poses in front of a mural at the downtown Greeley restaurant. Corliss, along with his partner, Brian Seifried, opened the establishment in August 2018."

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BW EXECUTIVE PROFILE

Leah Bornstein leads Aims with key planning

By Shelley Widhalm

news@bizwest.com

Planning and organizing for community college president Leah Bornstein is something she loves, because it's a matter of working through the "ultimate to-do list." And planning is particularly important to her in a time of crisis, such as the COVID-19 pandemic of 2020, she said.

"I love checking things off and feeling like we're moving forward and we have momentum," said Bornstein, president and chief executive officer of Aims Community College.

Bornstein, a Greeley resident who has more than 30 years of experience in leadership and management roles, became the college's sixth president and CEO in August 2015. One of her initial tasks was leading the creation and implementation of a five-year strategic plan that incorporates feedback from students, staff and the community. She had multiple conversations with the stakeholders to identify the objectives and tactics that would move the two-year college in a new direction and to the next level of service, she said.

The college, which has its main campus in Greeley and satellite campuses in Fort Lupton, Loveland and Windsor, is now in year two of the plan for years 2018-2023.

"It helps us make resource decisions, and it helps hold us accountable to the constituents we serve," Bornstein said.

The plan outlines three key strategies of empowering the college's 9,000 students to succeed, enhancing operational performance and enriching economic development in Northern Colorado.

"We keep students and our learners in the foreground all the time by asking, how does this support our learners? Does this support student success?" Bornstein said. "By always asking those questions and having those in the forefront, everything else falls into place after that."

Sarah Wycaver, vice president of student engagement, inclusion and success for Aims, finds Bornstein to be courageous in her leadership, coming from her understanding of the importance of students' lives and their potential impacts on the community.

"Leah is dedicated to learning and growing, and she creates spaces for employees and students to do the same. She understands that learning and growth require an element of risk, and she pushes us to learn and grow with her through innovation and creativity," said Wycaver, who holds a doctorate in higher education and student affairs leadership. "She is the kind of leader who moves an institution forward as a united team for the better-



COURTESY AIMS COMMUNITY COLLEGE

"I love the people I work with, and I love the students," said Leah Bornstein, president and chief executive officer of Aims Community College. "The people I work with are incredibly dedicated professionals, not only to their field but by bringing that passion to the learners they are instructing or supporting."

ment of the community."

Since joining the leadership team, Bornstein has seen some other successes at the college, including continued accreditation from the Higher Learning Commission and the first year of a new transition program, Aims2UNC, for dual enrollment between Aims Community College and the University of Northern Colorado in Greeley. Her other successes include celebrating the college's 50th anniversary in 2017, establishing a Center for Diversity and Inclusion, developing new partnerships with business and industry, and supporting several design and construction projects that include the Applied Technology & Trades Center, the Welcome Center and the Student Commons.

"We have some wonderful major construction projects on a couple of our campuses that are exciting and that are successful," Bornstein said.

Bornstein currently is engaged in planning for the college's response to COVID-19, providing important updates from her office that are posted on the college's website, aims.edu.

"The college leadership team, the administrators and the employees have been readily available and phenomenal in working together in this crisis," said Bornstein, who is working from home during the encouraged self-isolation. "Things are changing,

particularly this week, by the hour. We're making sure we have the most recent and correct factual information and are planning based on those facts."

The college, which now is holding most classes remotely, already had an emergency preparedness plan in place including how to respond to a pandemic, Bornstein said.

"We're working within that plan and are ensuring our students and employees are well, are staying calm and are taking care of themselves," Bornstein said.

No matter the situation and plan, Bornstein considers herself to be a situational leader, sometimes being more driven and taking the lead and at others giving others the reins, she said.

"It really depends on what the institution needs at the time," Bornstein said. "My preference is much more inclusive to have conversations around topics where we come to a decision together. ... It requires all of our lenses to make the best decision, working together collaboratively. I also have a pretty driven personality too. I like to get things done. I like to have momentum and movement."

Bornstein has been the CEO of a secondary institution two other times, including CEO and president of Coconino Community College in Flagstaff, Arizona, and CEO of Colorado Mountain College-Summit

County Campus in Breckenridge and Dillon. She also served as chief academic officer at Lamar Community College, among other leadership roles. She earned a bachelor's degree from Bradford College in Bradford, Massachusetts, a master's degree from the University of Vermont in Burlington and a doctorate from the University of Denver, plus an honorary doctorate from Northern Arizona University, also in Flagstaff. Her doctorate is in higher education administration-communication and leadership studies.

Russ Rothamer, executive vice president and chief academic officer of Aims, worked with Bornstein for about three years at Coconino Community College and relocated to Aims because he admires her as a leader and "appreciated the opportunity to work with such a strong and visionary leader again," he said.

"Among Dr. Bornstein's many leadership strengths, she is especially strong in setting a vision for the community college and her strategic planning development. She then trusts her teams to implement and work through Aims' purpose, 'To Build a Stronger Community,'" said Rothamer, who holds a doctorate in higher education administration. "Dr. Bornstein does frequent check-ins, not to micromanage, but check on progress and if there are any barriers that she can help remove."

At the end of their meetings, Bornstein asks Rothamer, "Is there anything I can do for you?"

"Knowing that she supports our efforts and is willing to help remove roadblocks or provide encouragement demonstrates her care for us as individuals, the college and the community," Rothamer said.

Bornstein, a native of the Boston area, became an educational leader after being encouraged by one of her mentors. She grew up in a family that was on welfare and was raised by a mother who worked a couple of jobs but wanted to make sure she was home in time to avoid raising "latch-key kids."

"Up and out of our situation was through education," Bornstein said. "Your job after high school is to go to college."

Following earning her bachelor's degree, Bornstein, who was in her early 20s at the time, talked with one of her male mentors about her future. She'd been a student government leader and a residential hall advisor, and he suggested working in higher education. She said she could be a dean, and he looked at her and said, "Why not a president?"

"I had put my own glass ceiling on myself," Bornstein said. "My whole career has been intentional to this point based on that conversation."



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COLLEGIATE DIVISION WINNERS:

- **Chore Champion**—First place \$1,500 scholarship. Chore Champion is a mobile app that rewards kids for doing chores with experiences from local businesses. (chorechampion.com)
- **Impossibly Possible**—Second place \$1,200 scholarship. Impossibly Possible is an idea for a fast-food, plant-based restaurant that offers drive-thru service at an affordable price.
- **Ava.ai**—Third place \$1,000 scholarship. Ava.ai is designed to help people manage their day-to-day mental health using the latest AI technologies and health tracking features integrated in most smartphones and watches.
- **Zue**—Fourth place \$800 scholarship. Zue will be an online store for people who like to shop for artistic clothing items and prints and includes collaborations with artists to place their work on prints and items such as sweatshirts.

OPEN DIVISION WINNERS:

- **Momentum Optics**—First place \$25,000. Momentum Optics has developed an advanced manufacturing technology that enables it to fabricate lenses about 10 times less expensive than traditional methods and five times faster. (momentumoptics.com)
- **Darwin Biosciences**—Second place \$13,000. Darwin Biosciences is developing SickStick, a saliva-based in vitro diagnostic device for the early detection of infectious disease.
- **Go2Grips**—Third place \$5,000. Go2Grips has a patented wheelchair grip design that helps to secure medical equipment and personal items to wheelchairs to increase the safety and independence of wheelchair users. (go2grips.com)
- **Ouro Mobility**—Fourth place \$2,500. Ouro Mobility operates an all-electric carsharing service designed specifically for master-planned housing communities. (ouromobility.com)

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COVID-19: An emergency kit for business

I know your shelves are stocked with toilet paper and peanut butter, but are you stocked up with tips on how to manage your business during this time? I believe we need to flatten the curve of people getting the COVID-19 virus so that we don't overwhelm our health-care system with a flood of sick people. I know this is going to impact your business, and here are my thoughts on managing your employees during this temporary, but bizarre and scary time.



KENDRA PROSPERO
ABOUT WORK

Stop meeting in person temporarily. There is so much technology available that makes working from home possible. Zoom, Google Hangouts and Facetime work well. For many of you, this means that you'll go from being an in-office company to a remote company temporarily. There are a lot of myths about remote workers and to survive the next few months of business you'll need to let go of these. I hear often that remote workers are "lazy" and "are not as reliable" and "don't get our culture"

as much your face-to-face workers. Remote working is different than in-office, but those workers are not worse employees.

Remote workers feel like they are always on and can never step away for fear of the myths. To combat this, agree to "core hours" and "flexible hours." You can set a new policy that during this time of sequestering, your core hours are from 9 a.m. to 3 p.m., but the rest of the time, people can work around their life. To make sure business is still moving forward, you, as the leader, need to set clear goals for what needs to be accomplished, and you need to communicate this and manage this weekly. Don't be too hands-off, but also don't expect them to be on all the time. (However, I do like the idea of a virtual happy hour now and then!)

Not everyone can work from home. Many people rely on physical work that cannot happen at home. In this case, do your best to isolate those teams from large crowds, encourage handwashing, sleep and healthy eating. If possible, if you're furloughing them, make sure you've educated them on all the ways they can make their budget stretch. I've listed a few resources below to help them.

Lastly, as a leader, you are respon-

"Remote workers feel like they are always on and can never step away for fear of the myths. To combat this, agree to 'core hours' and 'flexible hours.'"

sible for creating an environment where your employees feel supported. Even if you think this is hype or hysteria, you have employees who will lose people to this virus. You owe it to them to do your part to slow its effects.

- Here's my checklist:**
- Set core hours and flexible hours
 - Use video technology to visually see your remote workers
 - Set clear monthly goals and manage over video
 - Remind them of emergency services like Food Bank of the Rockies or EFAA if they need food
 - Encourage good health practices — eat good food, get good sleep, and wash hands
 - If you furlough, talk about unemployment insurance, borrowing from

their 401(k), and other financial nets that could help them.

- If you have a benefits package, share information about your Employee Assistance Plan (EAP). Sometimes people need to talk to a professional and this is often a free service with your benefits
- Brainstorm with your teams about spreading around PTO or sick time. If your employees are willing to share with other employees who don't have as much, it can be a powerful way to build community inside your organization.
- Ask your peers, fellow CEOs and leaders, what you can do to help them. Sometimes, making an introduction or sharing resources can help both sides. I'm a member of Colorado Thought Leaders Forum (CTLF.org) and the entire spirit of this organization is to serve and help especially when things are tough.

Remember if we do this well, this is a temporary situation. We are all in this together, and we will recover from this.

Kendra Prospero is the CEO and founder of Turning the Corner, a Boulder-based organization that does recruiting the way it should be done for job seekers and companies.

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**CELEBRATING
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FORT COLLINS AREA CHAMBER OF COMMERCE



Execs combine work with coaching sports

By Dan England
news@bizwest.com

Ron Scott's first son, Braxton, signed up for flag football, and the prospect excited him. Scott was looking forward to going to games, playing catch in the backyard and maybe even sharing relevant stories from his days playing for the University of Northern Colorado's football team in the late 1990s, when they were a superpower in Division II.

The one thing he didn't want to do was coach.

Scott, 40, now spends more time than he ever thought he would as the coach of his son's flag football team, after recreation staff for the city of Greeley asked him to do it because they didn't have a coach. He's coached for five years, and it's a big part of his life now, even as he balances work with High Country Beverage, a beer distributor, and his own admitted competitive spirit, the kind that allowed him to play with other great athletes in college.

"It is hard because you want to win, even at 5-year-old flag football," Scott said and laughed. "You have to be OK with a kid dropping a pass. Not everyone is at a great skill level, but all you have to do is just show them a few things."

"It's a lot less pressure than what I was used to, but I love it."

Most hesitate, as Scott did at first, to get into coaching for many reasons. Time, of course, is the most obvious, even with (mostly correct) reassurances that they won't have to spend more than a few hours a week to be successful. But there are other reasons, including those who think they don't have enough experience at a sport to coach. Not everyone, after all, played fullback in college, as Scott did.

"The biggest goal is to make sure they have fun," said Jerod Cronquist, recreation supervisor for the city of Greeley. "If they want to play next year, you did your job."

The city of Greeley had 264 youth sports teams, and typically Northern Colorado departments from major cities have more than 250 as well. The teams include Jr. Nuggets basketball, soccer, volleyball, tee-ball and all the collaborate middle school sports programs with Greeley/Evans School District 6, in addition to the NFL flag football that Scott coaches. A majority of the teams had two or more volunteer coaches, so the city had approximately 530 helping out.

"We completely depend on them to run these programs," Cronquist said.

The city does provide equipment as well as some training, another reason why experience isn't necessary to be



DAN ENGLAND/FOR BIZWEST

Braxton Scott hits a few balls with his father, Ron, in the basement of their Greeley home. Ron began coaching flag football after Braxton signed up for the city's recreation league.

a coach.

"We try not to just turn them loose and say good luck," he said.

The city also provides one free registration for every head coach, a new carrot that's helped increase the number of volunteers, he said.

Most coaches are parents, but not all of them, Cronquist said. Some retired coaches still enjoy helping out in a relaxed setting, and UNC has a coaching major and minor, which helps bring students out.

There are also residents who just want to coach: Ryan Reynolds, 37, does not have kids, but he coaches track for the Fort Collins recreation leagues. He was looking for something to do in 2008 and enjoyed working in youth camps in high school and with Big Brothers and Big Sisters in college. He played track and basketball in high school and remembered growing up in a tiny town in Montana, where a farmer in between harvests tried to coach his teams, making him appreciate anyone who had the knowledge to help him really learn the games.

"We never really had actual coaches," Reynolds said, "and I know it's hard, that the city is always looking for coaches, so I wanted to help."

He now is the head coach chairman for the state for Colorado Association of Recreational Athletics (almost all know it as CARA), a paid position, in addition to his work as a foreman for Gregory Electric of Loveland. He still

enjoys coaching track when he can. He eventually had to give up basketball a couple of years ago because of his two jobs. It takes time, but Reynolds sees it as a break from his busy life, not something that adds to it.

"It's a good escape," Reynolds said, "and something way different than what I do every day."

Matthew Vonderhaar, 35, also does not have children, but he's coached in the Fort Collins recreation programs for years.

"I played sports my whole life, and I like being around it," said Vonderhaar, who coaches middle school boys and girls basketball.

Vonderhaar is competitive — he loves to remind people that he won both the boys and girls city league last year — but he considers coaching a way to give back to the community. He also works for ABC Supply, a construction supply company.

"I just ask that the kids have fun and goof around and I can babysit," Vonderhaar said, "or we can take the knowledge I've learned and try to win."

Most parents support his philosophy, he said, because the lessons carry on through life. In fact, he's had the core of his team for a couple of years now.

"Learning how to win is simply trying harder and making extra effort and doing the small plays," he said.

Scott wants to win, too, but he also

tries to play everyone — even if they drop a pass — and keeps a chart to ensure every player touches the ball at least once a game.

"It's a handoff if nothing else," Scott said. "It's no fun to go through a game and never get the ball."

Scott's had the same six kids on his team for years, including Braxton's best friend, whose father helps coach as well. But he always gives the same speech at the beginning of the year.

"I tell them 'I'm not yelling,'" he said. "I'm just loud. I care more about how hard they try over how good they are."

Scott's glad he had the opportunity to coach, even if, at first, he didn't want to do it.

"I think it binds you more with your kid," he said. "It's rewarding."

Four tips on how to coach

1. Don't worry if you haven't played — The younger teams, especially, need someone to organize everything more than teach a press defense.

2. Fun is the key — Most programs want you to coach a fun team, not a winning one. If those are one and the same, great, but as long as the kids have fun, you've done your job.

3. Ask for help — Most parents are willing to jump in. They may just need a little encouragement.

4. Ask if coaches need help — Most coaches want someone to jump in. They just need someone to ask.



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Fall Prevention Tips

According to the Centers for Disease Control & Prevention, falls are the leading cause of fatal and non-fatal injuries of adults at least 65 years old. Every 15 seconds, an older adult is treated in the emergency room for a fall; every 29 minutes, an older adult dies following a fall.

The critical question this raises, then, is how can we prevent falls for ourselves or our loved ones? Some good advice to follow includes:

- Remove small area rugs or bathmats from the house – these are common trip hazards
- Use a cane or walker for stability, when advised – or learn best-practices for posture without such devices (consult an occupational therapist)
- Strengthen abdominal and leg muscles to ensure balance and mobility
- In bad weather, ensure that walkways are properly cleared of snow and ice
- Wear sturdy shoes and pay special attention to uneven pavement
- If poor eyesight and/or balance are issues, consult a physician – these can seriously impact stable walking

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BW STEPPING OUT



COURTESY ROSETTA HALL

Before the shutdown, Rosetta Hall was filled with people experiencing a wide array of food choices from chefs who participate in a new profit and loss model for restaurants.

Rosetta Hall: It's not your mom's mall food court

By Dallas Heltzell
news@bizwest.com

BOULDER — What's been going at Rosetta Hall since it opened six months ago? Maybe it's better to ask what hasn't been.

To the diners, dancers and drinkers who for the past six months have been drawn to the European-style food hall, it's a maelstrom of sensory wonders — and nearly nothing like a suburban shopping mall's fast-food franchise fare and plastic trays and utensils. Instead, patrons can sample a world's worth of innovative and exotic flavors, sip a sophisticated old-school cocktail, twirl to the trendiest new grooves or just hang out and maybe slip on a pair of headphones and watch a movie.

Those last two activities shouldn't be surprising on several counts. The 110-year-old downtown Boulder building's 6,829 square feet of space used to house the Foundry nightclub and a movie theater, and the designer largely responsible for Rosetta Hall's look and feel, Tiffany Mitchum, is actor Robert Mitchum's granddaughter.

She's also the stepmother of Rosetta Hall chief executive Donovan Greene, who crafted a business model that may be unique in the world. The chefs he auditioned and recruited to fill the food stalls find themselves in a situation that's part incubator, part makerspace, part test kitchen, part think tank and part performing-arts showcase.

As in a typical food hall, the chefs are spared the expense of raising the capital to build out a brick-and-mortar restaurant. They just have to bring their own pots and pans, cooking tools and towels. But there's more.

What do they pay to have a space there? Nothing. Rosetta Hall pays them.

"We really treat them the way we treat a performing artist at the Boulder Theater or the Fox Theater," said Greene, who co-owns those venues as well. "We give them all the infrastructure, all the accounting, back-of-house support" such as dishwashing and table busing "and then we pay the chefs weekly. We provide all their working capital and all finances roll through us. All the money flows

through us, and then we pay them weekly whatever their profits are, on a cash basis" — minus Rosetta's 22 percent cut of sales.

Greene's team even will design and build the kitchen to each chef's specifications. Once they open, they're preparing their dishes out in the open where customers can watch them perform — sometimes with a theatrical flair.

But just as at the Boulder or Fox theaters, earning that spot on stage wasn't easy.

"We had about 50 chefs audition for the spots," Greene said. "There's no other model like this in the world, where they need no capital to get in. We made the decision on who comes in based purely on the quality of their food, their experience in the industry, their dedication to sourcing sustainably with local ingredients — and they had to be somebody who we want to work with as well."

So who stars in this cast?

At Confit, Dustin Brandt brings casual French fare, rotating various variations on souffles as well as Parisian-style tartines, gougères from Bur-

If you go

Rosetta Hall

1109 Walnut St., Boulder
720-323-5509
Rosettahall.com

gundy and French onion soup.

At Eridu, Aaron Lande presents a menu based on "ancient grains" and legumes. He deliberately taps Boulder County produce such as millet from Golden Prairie in Nunn because "when we are removed from knowing where anything comes from, the energy has been lost. If you want to make art, you have to know your sources. You have to know who and why and how and where."

At Jacaranda, Gambia native Modou Jaiteh, who formerly was head cook at the Stone Cup in Lyons, looks for influences from West Africa, New Orleans and the Carolinas and serves one of the food hall's most popular draws, a unique peanut butter stew called domoda that includes chunks of Boulder lamb.

At La Tigella, Alberto Sabbadini assembles a sandwich called tigella that's native to Bologna, Italy, as well as a Roman-style pizza with a blend of local grains, northern Italian ravioli, and carryout sheet pans of pizza or lasagna that can feed six.

At Tierra, Joe Lee exemplifies that adventurous, experimental spirit Greene hoped to nourish at Rosetta Hall, crafting contemporary Mexican food with his own spin on mole and even an injection of Korean influence.

At Petite Fleur, Julia Wirichs enriches an assortment of American and European desserts with her eight years of experience working in Paris and Amsterdam. Some of the desserts are gluten free, vegan or low in sugar, and all are handmade from scratch.

At Ginger Pig, Nataschia Hess brings the home-cooked and street-smart Asian dishes she loved as a college student in Beijing and the business savvy she gained by running a mobile eatery that won her a Best Food Truck in Denver award in 2018. She incorporates locally grown Hazel Dell mushrooms and Buckner Family Farms' lamb into some items.

At Rose's Classic Americana, Rosetta Hall's latest entry, Denver-based Bar Dough executive chef Carrie Baird will try a new take on burgers, sandwiches and salads. Longtime friends Baird and Hess formed a new restaurant group called

"That's What She Said" and will co-own both Ginger Pig and Rose's, a collaboration Greene said he was glad to see because Rose's will move into a spot vacated on Feb. 24 by Folsom Foods.

"That was not an owner-operator; it was a restaurant group from Denver," Greene said of Folsom. "As we've gotten into this, we prefer everybody to be an owner-operator so when you come in, to eat, everyone who's there cooking your food is the owner of the stall that they're in."

Besides the eight restaurants, there's Vajra and Cara Rich's Boxcar Coffee Roasters, "an old-school, Italian-style sit-down coffee bar; and Rosetta's Bar, set up by beverage director Curtis Worthley to offer classic cocktails in two locations: the main bar, which Greene described as the state's largest, or up on the 140-seat rooftop deck complete with cabanas, fire pits, a bamboo forest, a happy-hour oyster bar, movie nights and a stunning view.

As with all other restaurants in Colorado, no dine-in service is available during the coronavirus crisis and Rosetta Hall's hours have been reduced, but pickup or delivery is being offered on Thursday through Sunday evenings.

When normal times return, visitors can try out another innovation Greene said is a first in the nation: a full-service remote ordering sys-

"We really treat them the way we treat a performing artist at the Boulder Theater or the Fox Theater."

Donovan Greene,
Rosetta Hall chief executive

tem that will let them order food and drink from any of Rosetta Hall's vendors, no matter where they're sitting. On three nights a week after dining time ends, the tables are removed, the computer-controlled color-changing lights will do their thing as directed by breakdancer Alex Milewski, and the food hall will become a dance hall, with salsa on Thursdays, hip hop on Fridays and club mixes on Saturdays.

The hall's other owners include Doug Greene, Donovan's father, and fellow Boulder Theater and Fox Theater co-owners Ron Levin and Don Strasburg. The group, which also owns Rembrandt Yard and New Hope Media, bought the building in 2015.

As with so many things in a free market, new concepts lure competition. Even before Rosetta Hall opened last October, Avanti Food and Beverage, which opened a food hall in 2015 at 3200 Pecos St. in Denver, announced it had acquired the shuttered Cheese-

cake Factory space four blocks from Rosetta Hall, on the northeast corner of 14th Street and the Pearl Street Mall. It also will boast its own incubator model and a rooftop deck with a mountain view. The seven food vendors at Avanti's Denver location operate with counters built from shipping containers but the new Boulder hall will have six food purveyors and two bars and a breakfast station in about 13,000 square feet being designed by Oz Architecture and Scout Interiors.

In February, the names of the first three Avanti vendors were announced, and one owner only had to walk across the mall from his other restaurant, Oak at Fourteenth, to check on his new venture. New Yorkese, a pizza maker, will be the realization of Steve Redzikowski's plan to present both New York and Naples styles. The other two are Boulder native Jerrod Rosen's Jewish deli called Rye Society, which was born in Denver, and Rooted Craft American Kitchen, which is luring Nicholas Kayser away from Vesta, the longtime staple on Lower Downtown Denver's Blake Street.

The project had been slated for opening around Memorial Day, but surely will be delayed because of the business shutdowns related to the COVID-19 pandemic.

"I'm happy to see the competition coming," said Rosetta Hall's Donovan Greene. "It's good for us and great for Boulder."

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Coronavirus sends economy into tailspin

By Lucas High
lhigh@bizwest.com

“It was all good just a week ago.” - Jay-Z, “A Week Ago.”

Surely there’s a moment or two each day when you forget. Perhaps it’s for five seconds when you first wake up. For a beat or two, you mentally prepare yourself for your commute. Your mind runs through a Rolodex of pubs and breweries near the office you might stop in for a happy hour drink after the workday. You dread whatever grueling workout your trainer at the gym has dreamt up for you today.

Then you remember.
You’re not leaving your house today to go to the office. You haven’t gone

Please see **Economy**, page 11

Banking

The Great Recession in 2008 saw the downfall of countless financial services firms and banks, from Lehman Brothers to Washington Mutual. The current crisis could be a bit kinder to bankers. “For the last few years, we’ve been spending a considerable amount of our resources on technology, and it’s clearly paying off in moments like this,” Elevations Credit Union CEO Gerry Agnes said. “... In times of crisis, people tend to focus on their basic needs. That’s things like food, shelter, power, water and money.” While the full impact of the COVID-19 outbreak cannot currently be calculated, banks “have reached out to our borrowers to ask them for the impact the virus is having on them,” AMG National Trust Bank commercial banking president Thomas Chesney said. “For those borrowers owning retail centers, some have tenants in the essential services space that are unaffected while others have tenants that have had to close. In those cases, the borrowers are reacting on a case by case basis, and AMG stands ready to help, too, also depending on the specific issues the borrower is experiencing,” he said. “For the borrowers in the multi-family space, AMG hasn’t yet seen deterioration, but that may surface in April and May when those monthly rents are due. AMG has a number of wealth management clients whose portfolios have been impacted by the sudden decline in the stock market.” Banks are seeing increased drive-up banking activity, including larger cash withdrawals. Customers are relying more heavily than ever on mobile banking applications, but Agnes sees a role for branches in the future. “How members use those branches will be different,” he said. “I think you’ll see far less transactional activity ... but people still want human interaction” with financial advisory and business lending services.

Cannabis

In the short term, the coronavirus outbreak has been a boon for Colorado’s pot businesses. Demand has been sky-high and a short-lived prohibition in Denver sent customers flooding into dispensaries and ensured pot shops would be classified as essential businesses in future stay-at-home orders. Sales last March 20 were up 28 percent over the previous Friday, according to data from Boulder-based BDS Analytics. Some dispensaries reported that last weekend was “busier than 4/20,” the unofficial marijuana holiday held on April 20, BDS vice president and chief analyst Greg Shoenfeld said. While demand is up, prices have remained fairly stable. Bethany Gomez, a managing director with cannabis-industry analytics firm Brightfield Group, said she doesn’t expect to see prices spike unless there is a disruption in the supply chain. However, the marijuana industry, by nature of being highly regulated by state governments where it is legal, is insulated from those disruptions. “Cannabis is largely a self-contained industry,” she said. “By law, things have to be cultivated, processed, extracted and sold all within the same state.” The coronavirus outbreak is expected to help facili-

By the numbers

Unemployment

From March 16 through March 19 there were **20,000 new unemployment insurance claims** made in Colorado, up more than 1400 percent over the Monday-Thursday period the prior week, according to the Colorado Department of Labor and Employment. The national jobless rate soared in the early weeks of the coronavirus crisis with **3.28 million new unemployment claims** filed in the week leading up to March 26.

Service sector employment

Service sector employees make up a significant portion of the workforce in Boulder Valley and Northern Colorado. As of September 2019, the last time the Colorado Department of Labor and Employment surveyed the sector on a county-by-county basis, here’s how many people worked in service industry jobs:

Boulder County: **132,000**
Broomfield County: **32,106**
Larimer County: **104,504**
Weld County: **58,478**

tate a shift in consumer behavior. In Colorado, cannabis transactions have historically occurred in person; consumers go to a dispensary, wait in a lobby, then a budtender personally sells the product and rings up the customer. In the era of social distancing, this model is less feasible. In fact, the shift to online ordering and delivery services — already popular in other recreational-cannabis states such as California — began before the coronavirus outbreak.

Oil and gas

The COVID-19 outbreak is merely one of the significant headwinds facing Colorado’s energy sector. The industry has been “impacted by much slower global growth” and “coronavirus is only exacerbating the problem,” said Brian Lewandowski, executive director of the Business Research Division at the University of Colorado’s Leeds School of Business. The average closing price for a barrel of oil in 2019 was \$57.05. On March 25, a barrel of WTI crude was selling for less than \$25. Saudi Arabia and Russia, the second and third-largest oil-producing states in the world behind the U.S., have feuded over production increases, exacerbating the price drop. Additionally, new regulations on Colorado’s oil and gas producers went into effect this year. “It’s a trifecta of downward pressures for the oil and gas sector in Colorado,” Lewandowski said. A total of 64 percent of the current year’s property tax base in Weld County comes from oil and gas production, so price and output declines are especially painful in parts of Weld County. Even if the coronavirus were eradicated tomorrow, the energy industry’s problems wouldn’t disappear. “It’s hard to predict a quick comeback when people aren’t using as much fuel and we have countries refusing to have output limits put in place,” Lewandowski said.

Real estate

The residential real estate market has slowed a bit since the COVID-19 outbreak, but certainly hasn’t ground to a complete halt. “The biggest concern that we had was whether properties would withdraw” or be pulled off the market by the seller, The Group Inc. president Brandon Wells said. From March 16 through March 22, withdrawn properties did tick up 111 percent over the prior week, he said, citing data from Information and Real Estate Services LLC, a Loveland-based multiple listing service that operates in Northern Colorado and the Boulder Valley. However properties under contract were down only 13 percent and properties sold were down 5 percent. The result is a reduction in inventory in a market where inventory is already very low. “We’re still seeing multiple offer situations on properties just because there are far less of them to choose from,” Wells said. While this current economic downturn may ultimately be as severe as the Great Recession in 2008, it’s important to note that the two events had very different causes. “Real estate is not at the forefront” of dragging the

economy into recession this time around, Wells said. “If you go back to 2008, so much of that was caused by bad lending practices and subprime loans where we were selling the American Dream to people who didn’t have the mechanisms necessary to fund it.” During the current crisis, residential real estate provides “tappable equity” that can help those “who have lost jobs and lost wages weather the storm,” he said. The industry “will see reduced sales” in the coming months but Wells is not convinced owners will see major reductions in their home values, in large part because the inventory is so tight and new construction is expected to slow significantly. “We’ve been 5 million homes short in the United States over the last decade,” he said. “This event will cause us to have an even shorter amount of inventory. It’s basic economics of supply and demand.” On the commercial real estate side, deals are still being done. “We’re kind of surprised that things haven’t completely ground to a halt,” said Geoffrey Keys, president Keys Commercial Real Estate LLC. “We’re still writing leases, writing contracts and doing some deals.” However the deals being completed now were mostly initiated prior to the current crisis, he said. “I don’t know if there is a new generation of deals right now.” The retail real estate market “is going to get hit pretty hard” but the industrial and office market “should be able to weather it pretty well,” Keys said. Office users are less susceptible to current forces — the forced closure of restaurants and bars and social distancing policies that limit the number of people in stores — than retail users. For opportunistic investors, the COVID-19 crisis could prove profitable. “If I was an investor, I’d be looking at retail pretty hard right now,” Keys said. “If you’re a motivated buyer, transactions are going to be cheaper just due to the fact that interest rates are low.”

Service, hospitality and tourism

Few industries in Colorado have been hit harder than the service, hospitality and tourism industries, which have been forced to close up shop or completely shift business models. The sector, which employed more than 327,000 workers in the four Northern Colorado and Boulder Valley counties, has seen some of the sharpest unemployment spikes as restaurants and bars have been shuttered, hotels have emptied out and events have been cancelled. “We’ve had almost every client [with events scheduled over the next couple of weeks] cancel on us, and we’ve lost almost all revenue and hours for our employees,” said David Rubin, owner of Boulder-based catering and events services firm A Spice of Life Inc. It’s not just smaller local firms that are feeling the squeeze. Broomfield-based Vail Resorts Inc. (NYSE: MTN), which operates ski areas such as Vail, Beaver Creek and Breckenridge, estimated in March that the shutdown of its North American resorts could cost the firm as much as \$200 million in lost revenue. When the COVID-19 crisis calms down, “there will be

some pent up demand, especially with all the stimulus money that will be out there,” said Richard Wobekind, executive director of the Business Research Division at the University of Colorado’s Leeds School of Business. This is good news for firms that sell durable goods, but less so for the hospitality and tourism industries. “It’s not like you can resell the hotel room that sat empty last night,” Lewandowski with the Business Research Division said. “You can’t resell a lift ticket for a skier who doesn’t show up. That’s why the tourism industry is so different from some of these manufacturing sectors.” During times of crisis, regulators and government officials must be nimble and allow businesses to find new ways to survive. “Nuances in regulation need to change to immediately give businesses the opportunity to move forward,” Boulder CEO John Tayer said. For example, restaurants must be allowed to deliver alcohol, a major revenue source for many establishments. “The major consideration is keeping cash in the pockets of these businesses so they can operate,” Tayer said. Governments should consider fee waivers and tax abatement programs as potential ways to free up some cash for service businesses.

Technology, startups and innovation

Technology firms are uniquely positioned to weather the early COVID-19 storm. “Most [technology startups] are doing fairly well in terms of being able to continue working,” said Jana Sanchez, executive director of Fort Collins-based nonprofit startup innovation facilitator LaunchNo.CO. “Programmers and software folks are typically able to work from home pretty easily. They’ve got the tools and technology at home already.” The big concern, she said, “is whether or not large enterprise clients will cancel orders or downsize contracts over the next couple of months.” Sanchez urged startups to “make sure you know inside and out what the legal clauses in your contracts are that would allow a customer to get out of it.” It’s “entirely likely in the next few months” that startups will see clients start to use every trick in their attorneys’ arsenal to break contracts. Access to venture capital is critical for startups. “Each investor has their own viewpoint on the world but I don’t expect capital to completely dry up,” Matchstick Ventures partner Natty Zola said. “In general, I expect fundraises to take longer and have lower valuations.” He added: “Companies should be prepared to answer questions around how they’ll extend the runway, how they’ll handle the new economic environment and show how they can do more with less.” The crisis has been inconvenient, but by no means devastating for technology accelerator programs. “The program is continuing and in good shape,” said Zola, who also serves as Techstars Boulder’s managing director. “We shifted the program to be fully remote two weeks ago. The companies responded really positively and have been incredibly helpful in adjusting the program. Techstars has run virtual programs for years so we have a playbook and experience with this change.”

Economy, from 10

into work in two weeks — it just easily could be two years. Time compresses and stretches. The concept of “days of the week” seems an irrelevant vestige of a by-gone era.

In less than two months, the coronavirus has mutated from an obscure phenomenon in central China into one of the more destructive forces in recent human history. The disease, as of March 25, had infected at least 1,086 Coloradans and killed 20. The death toll worldwide was 21,174 and it climbs every hour.

COVID-19's assault on the economy has also been relentless.

While economists had been monitoring the virus for several months, “I don't think we foresaw it getting this bad where everyone is holed up in their houses, the restaurant industry is shut down, the ski industry is shut down and hotels are really scaling back,” said Brian Lewandowski, executive director of the Business Research Division at the University of Colorado's Leeds School of Business. “To say that this is unprecedented understates it a little bit.”

Boulder Chamber CEO John Tayer succinctly summed up the feelings of many in the business community: “It's insane.”

One reason the crisis has felt so devastating is due to the stark contrast between the current reality and the last decade-plus of strong economic performance.

“As recently as about two weeks ago, you could say we were enjoying an exceptional period of economic

vitality. Our biggest challenges were addressing the needs of the workforce such as improving transportation corridors,” Tayer said.

Road improvements aren't a major priority when no one is leaving their home to drive to work.

“Those are challenges of a very robust economy,” he said. “Very quickly, we've had to switch to the other side of the coin: how do we sustain businesses in a very difficult economic period?”

The Dow Jones Industrial Average closed at a record high 29,551.42 just weeks ago. On March 25, it closed at 21,200.55.

“We went into the year thinking GDP growth in the U.S. might be positive, up 1.5 percent or something in that range,” said Rich Wobbekind, CU's Business Research Division executive director and the senior economist. “Now it's going to be very difficult for GDP growth to be positive for the year at all.”

Local economists don't expect the region to be able to right the ship anytime in the very near future.

“Certainly the second quarter is going to be pretty dismal,” Wobbekind said.

“The original thought was that this would likely be a very much V-shaped kind of recovery,” which is marked by a fairly brief period of decline followed very quickly by steady growth, he said. But experts now believe “it's going to take too much time for these industries to gain serious traction again” to avoid

a U-shaped or a hockey stick-shaped recovery, both of which are longer and more painful.

Still, a comeback will happen someday, business leaders say. All is not lost.

“We are entering what could be the most creative period America will have this century,” said Jana Sanchez, executive director of Fort Collins-based nonprofit business innovation facilitator LaunchNo.CO.

“The world is upside down and we'll have to start thinking about things differently in terms of our values and our goals,” she said. “These types of situations tend to lead to a lot of creativity, innovation and entrepreneurship. People are sitting around at home thinking, ‘Well, now would be the time for me to flesh out this idea for a business I've always had.’”

Whenever the world gets back to normal, it will be a new normal.

“There will be forced evolution for every industry,” The Group Inc. president Brandon Wells said. “We're going to come out of this but business will be forever changed.”

The COVID-19 crisis, by shutting down offices and prohibiting people from being in close proximity, is expected to change the very nature of how many Americans work. When this is all over, why would I go back to commuting into the office everyday when I'm just as productive working from home, folks are asking themselves.

“I think we can certainly envision a world where people find that now that they're forced to work from home, they

actually adapt to that change and are able to work from home better” than in a traditional office setting, Lewandowski said. “Maybe in the long run we will see more willingness to work remotely and less of a need for everyone to be going into the office or scheduling in-person meetings.”

Wobbekind echoed his sentiment and remarked on how quickly American workers have adopted new remote-working technology such as Zoom.

“In just two weeks, we've all become a lot more savvy about how to do all of these things,” he said.

This new work-from-home era could be an inflection point for workers with disabilities, who have long been marginalized in traditional office settings.

“This community has been screaming for years that it's not that hard for companies to make the accommodations they need. Now all of a sudden, we're all working from home and companies don't always have to do in-person meetings. Companies are realizing that they can do things differently and should be looking for workers who can excel at doing things differently and working from home,” Sanchez said. “That gives me some hope.”

The COVID-19 outbreak is a “dramatic example of a situation that leads to transformation,” Tayer said. “We are a community that has the adaptability and innovation to move beyond this difficult challenge. But I hope we always remember that what we enjoyed just two weeks ago is not something you can always expect.”



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Jessica Hartung of Integrated Work built the course material and will facilitate each of the upcoming five sessions. Our guest CEOs this spring are: **Gerry Agnes**, President & CEO of Elevations Credit Union; **Vicki Einhellig**, CEO, Good Day Pharmacy; **Wynne Odell**, COO & Chairman, Odell Brewing Co.; **Curt Richardson**, Founder & Chairman, Otter Products LLC.

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Session 5: GROW YOUR INNOVATION – May 22, 2020

Session 6: GROW YOUR RESILIENCE – May 29, 2020

Session 7: GROW YOUR STRATEGY – Jun 5, 2020

Session 8: GROW YOUR JOY – Jun 12, 2020

Guest CEOs



GERRY AGNES
President & CEO of Elevations Credit Union



VICKI EINHELLIG
CEO, Good Day Pharmacy



WYNNE ODELL
COO & Chairman, Odell Brewing Co.



CURT RICHARDSON
Founder & Chairman, Otter Products LLC

Where?

Due to circumstances related to the COVID-19 virus situation, BizWest Academy Spring 2020 will be hosted online featuring an immersive and engaging technology platform. The safety of our presenters and participants will remain our top priority.



For more information contact
Jeff Nuttall, 970.232.3131, jnuttall@bizwest.com

BW B A N K I N G & F I N A N C E

Lending company specializes in SBA loans

By Jeff Thomas
news@bizwest.com

Business owners in Northern Colorado have an enormous asset in securing Small Business Administration-backed loans by a rather novel lending institution, Immito of Denver.

“We’re one of only 12 private lenders that are qualified to handle SBA loans,” said Emilio Vallejos, vice president of business development for the organization. “You’ve got to jump through a bunch of hoops to get that.”

Immito, Latin for “to launch or send forth,” was formed by The Local Initiatives Support Corp. in September of 2018 expressly to help fill a perceived gap in SBA funding. LISC itself was formed in 1979 — mostly by a grant from the Ford Foundation — to create jobs in underinvested communities and has invested more than \$20 billion since its inception and holds \$14 billion in equity.

LISC put about \$1 billion into Immito, with the sole objective of better serving SBA loan clients, Vallejos said. While a number of banking organizations generate SBA loans, only a few have large departments dedicated to the SBA loans.

“If they don’t do a lot of them, you could be two, three or four months down the line (on the loan application) and something comes up that prohibits it,” he said. “Not that there are not experienced SBA lenders out there. If you don’t pick us, pick someone who is experienced in SBA.”

The curious thing about SBA loans, which are backed by the federal agency, is that part of the qualification procedure is showing that the applicant is not eligible for conventional lending. The SBA guarantees up to 85 percent on loans of \$150,000 and less, and up to 75 percent on loans greater than \$150,000.



COURTESY IMMITO

Emilio Vallejos is VP of business development for Immito, a lender that produces only SBA loans.

“They are intended to serve business owners who do not qualify for conventional loans,” Vallejos said. “That’s usually something like insufficient capital, personal credit, or (lack of) equity.”

What makes that even more curious to many business owners, he said, is that those factors can also be the reason a banking institution might decline on an SBA loan, as well. Vallejos pointed out that at many banks it’s the same loan committee that makes decisions on SBA loans that makes the decisions on conventional loans.

“Even the banks that are active in SBA lending — they just have a low risk tolerance,” he said. “It’s still the same loan department and loan committee. Even though they offer that SBA loan, their analysis hasn’t changed.”

That can often make getting through an SBA loan process a rather tall order for many small businesses owners, Vallejos said.

“For lots of small businesses it can be pretty tricky; it’s very much a niche and a specialty,” he said. “But we’re only doing SBA lending so that’s 100 percent of my day. In my past life, even as a senior lending officer, you spend a lot of time with a different hat on. Immito is largely looking at “mid-stream” SBA loans, somewhere between \$250,000 and up to \$5 million. Vallejos said there are a number of micro-lenders at lower loan levels, but this particular level of funding is often where successful businesses find they cannot expand.

One recent example of an Immito client was a self-funded distillery that was looking to expand capacity and open a second facility. While profitable, and in business for three years, the owners had been turned down in a previous SBA application for lack of equity in the expansion.

Another client had also been in business for some time and wanted

Immito gears up for virus relief loans

With the federal government looking to bump funding for the Small Business Administration lending to \$50 billion and Colorado businesses now eligible under the SBA’s Economic Injury Disaster Loan Program, Immito is actively working on its programs to help business work through the COVID-19 emergency.

“We have seen a huge increase in new clients as we are continuing to lend and work closely with local small businesses,” said Emilio Vallejos, vice president of business development for the organization. “If banks restrict their lending, it will be up to private lenders like us to fill the void. We’re equipped to handle the volume of requests and create structures that help many of the businesses affected by this crisis, and we’ll roll out new SBA products and programs as they become available.”

Immito is one of about a dozen private lenders qualified to conduct SBA loans and was formed by The Local Initiatives Support Corp. in September of 2018 expressly to help fill a perceived gap in SBA funding. LISC itself was formed in 1979 — mostly by a grant from the Ford Foundation — to create jobs in underinvested communities and has invested more than \$20 billion since its inception and holds \$14 billion in equity.

to move its retail business to a better location. That business was also turned down for lack of equity.

“It’s funny because by moving locations their lease is going to go down 65 percent, and it’s a better location for what they do. It’s going to make their business more profitable and expand their capacity,” Vallejos said.

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Centennial extends credit union reach



Michael Nagl, president and CEO of Centennial Lending, a mortgage lending company in Frederick, poses for a photo in front Centennial Lending's new building. The building is scheduled to be completed by May 22, 2020.

By Jeff Thomas
news@bizwest.com

FREDERICK — Twenty years ago, a handful of local credit unions were hoping to get a toehold in commercial lending, but few of those executives probably foresaw the breadth of business they would create with Centennial Lending of Frederick.

“At the time there were three or four credit unions interested in stronger business lending services,” said Michael Martin, chief lending officer at Blue Federal Credit Union of Cheyenne, Wyoming, which at that time was Warren Federal Credit Union. “We all threw in some cash, hired a staff and began originating and serving commercial loans.”

Today there are 24 co-owning credit unions, including Blue Federal, which has nine outlets in northeastern Colorado, and Premier Members Credit Union of Boulder. But aside from the co-owners, Centennial also serves about 110 total credit unions, which mostly choose to contract with Centennial for its loan servicing expertise, said Centennial president and CEO Michael Nagl.

In the beginning, cooperating on commercial lending was the No. 1 priority of Centennial, known in the industry as a Credit Union Service Organization or CUSO. Essentially this allowed the owning credit unions, which now range from \$50 million to \$1.2 billion, to cooperate on larger scale commercial loans and allowing Centennial to produce most of those loans

“With such a wide swath of credit unions and strategies, I want to deliver all of them the opportunity to become involved in a commercial real estate deal,” Nagl said. “The credit unions themselves don’t necessarily have the expertise to drive those loans.”

Typically, Centennial said its targets are loans in the \$1 million to \$3 million range, but they also encompass larger loans, especially when they serve community interests. Credit unions can take all or a portion of these loans.

Martin noted that either of the participating credit unions, or the CUSO, can now also take a look at large investments in their communities, such as a \$50 million hotel. “None of us can do that alone,” said Martin, whose credit union has tripled in size, to \$1.2 billion, in the past seven years.

“It allows everyone to partner together, by taking some portion of a loan on their books, to serve a greater variety of customers,” said Martin, noting there are some complex rules regarding how things are actually divided up.

“I might bid to take 100 percent of a certain loan and end up with a third of that.”

While commercial and construction loans may be the most highly visible part of the Centennial port-



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folio, it's hardly the largest. Today, Centennial is servicing \$900 million in first mortgages, \$350 million in commercial loans and \$150 million in auto leases.

"We have business development officers out on the street," said Nagl about the business loan development. "We source the loan, but we depend on our credit unions to finance the loans. Their loan committee gives their thumbs up (on potential loans)."

"We send it out to a group of credit unions, and they determine whatever their appetite is for the loan," he said, noting the individual credit unions can take as much of the loan as desired.

Servicing loans is the largest endeavor for the 52 employees at Centennial, which is why so many of the contracting credit unions turn to it for servicing first mortgage accounts. There are more than 1,000 CUSOs in the United States, which specialize in a number of different loans types, such as real estate lending, auto lending and leasing, information technology or payment processing

"We, as a CUSO, are focused on increased efficiencies, economies of scale and most importantly, collaboration," Nagl said. "To my knowledge, there isn't another CUSO in the country originating and servicing first mortgages, commercial real estate, construction loans and vehicle leases."

It is those economies of scale that helped Blue Federal become not only



COURTESY CENTENNIAL LENDING

An architectural rendering shows what the new Centennial building will look like when completed.



JOEL BLOCKER / FOR BIZWEST

Construction continues at Centennial Lending's new building. The building is scheduled to be completed by May 22, 2020.

the largest credit union in the Centennial family, but also keeps it the largest user of Centennial's services.

"By utilizing Centennial we get more efficiencies," Martin said. "I

have originators on the mortgages, but we don't have to have closers, processing and serving. Those are shared, and it lets me keep my staff leaner and more efficient."

Centennial seeks to help with virus response

FREDERICK — With a 20-year history of coordinating cooperation between credit unions, Centennial Lending is also looking to continue that cooperation to its business clients in wake of the COVID-19 emergency, said president and CEO Michael Nagl.

"Like every business in the nation, we're focused on our employees' well-being while also developing business continuity tactics 'on the fly,'" Nagl said. "Additionally, the guidance from our local, state and federal health and regulatory agencies is being delivered at an extraordinary pace."

"To make matters even more intriguing, our origination teams are swamped via the low rate environment just as our servicing team simultaneously prepares to assist borrowers who have been derogatorily impacted by this shocking health scare."

However, Nagl noted that credit unions "are all about cooperation" and his organization, a Credit Union Service Organization helping more than 100 credit unions service loans, is largely concerned with extending that premise.

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Regulation changes draw mixed reviews

By Paula Aven Gladych
news@bizwest.com

The Federal Deposit Insurance Corp. and Office of the Comptroller of the Currency have proposed changes to the Community Reinvestment Act that are getting mixed reviews from the organizations governed by the document.

The FDIC and OCC hope that the proposed changes will increase bank activity in low- and moderate-income communities where there is a huge need for lending and banking services. They also clarify what qualifies for credit under the CRA, enabling banks and their partners to better implement reinvestment activities that can benefit communities.

"I know the reaction to the proposal has been mixed. A little bit of that comes from the fact that the Fed [Federal Reserve Bank] didn't join the comptroller and FDIC in making the proposal. It has slightly different views," said Don Childears, CEO of the Colorado Bankers Association.

The Fed has been mum about its reasons for not joining the other two organizations in updating the CRA but has said it is watching the comments from interested parties closely.

Sean Doherty, executive director of Loveland-based Impact Devel-

opment Fund, a community development financial institution, said he isn't sure how the proposed changes will work since only two out of the three regulatory agencies are adopting them.

"I don't see that as workable. You can't have one agency monitoring and scoring the CRA vastly different than the two others," he said. "It is an impossible state of affairs. What gets lost in all of this is that everyone, absolutely everyone, understands and, prior to this end result, agreed that the CRA regulation had to change. It is way too subjective and way too labor intensive for everyone involved. Everyone agreed on it."

The Community Reinvestment Act was enacted in 1977. Its intent was to encourage depository institutions to help meet the credit needs of low- and moderate-income neighborhoods, said Childears. That could come in the form of charitable contributions to nonprofits or in the form of actual investments, such as affordable housing projects.

"The bank will say, we'll buy the bonds this project is issuing so it has money to build this building," he said. The project will then be paid off



DON CHILDEARS

"What gets lost in all of this is that everyone, absolutely everyone, understands and, prior to this end result, agreed that the CRA regulation had to change."

Don Childears, CEO of the Colorado Bankers Association

through rents over time.

The CRA has been updated and amended over time. What used to be one page of paperwork now requires a team of people dedicated to that function "making sure the bank does a good job with those groups and documenting it to the satisfaction of the regulators," he said. Lending institutions have to go through a community reinvestment exam to prove they are serving the needs of their communities. That has become a little more difficult as banking evolves, Childears said.

When the Community Reinvestment Act was first adopted, banks served specific geographic areas. They didn't have the Internet, telephone or mobile banking.

"Now, banks can have customers all over the country," he said. And even if banking customers move away, they will likely keep the banks they always had and just access their money in different ways.

So how do banks and regulators determine a banking institution's service area for the purpose of the Community Reinvestment Act? That's part of what the FDIC and OCC proposal is attempting to figure out.

The proposed CRA rules would help preserve branches in low- and moderate-income areas by providing more credit for branches and evaluating CRA activity around branches, according to the OCC's factsheet about the proposed rule changes. The new general performance standards would assess two areas of a bank's CRA performance: the distribution of qualifying retail loans to low- and moderate-income individuals, small farms, small businesses and geographies; and the impact of a bank's qualifying activities, measured by the value of a bank's qualifying activities relative to its retail domestic deposits, according to the OCC and FDIC's notice of proposed rulemaking.

Doherty, whose organization lends money to support affordable housing in the state, said that he is "definitely concerned [about the proposed changes to the CRA], especially for groups like ours."

Under the CRA's current form, commercial banks are "motivated to partner with CDFIs like us. They get

tremendous regulatory kudos and checkmarks when they do that. It is a wonderful thing," he said. "Under the current regulatory regime, banks get credit not for the money they put out but the volume of activities and products they offer," he said.

The proposed regulation is going to a single metric that is just "simplistic. How much money have you put out divided by how much total retail deposits you have in your bank. Simplistically what that does is it motivates the banks to not do the labor-intensive quirky partnering with disparate smaller transactions in communities," Doherty said. "It motivates them to go to easy transactions in big areas with big dollar amounts."

If they are going to get the same credit for making a \$5 million loan to a very well established, easy to underwrite recipient as they would from making 10, \$500,000 loans to smaller entities, they will choose the easiest option, he said.

The current regulation says that the primary purpose of community development funding is to benefit low- to moderate-income populations. The new language says it can partially benefit low- to moderate-income entities and includes new types of projects that can qualify, such as infrastructure projects or investments in opportunity zones. The proposal also expanded to include residential affordable housing to benefit middle-income people in high cost areas, he said.

There is already so much competition in low-income housing and in the low spectrum of low- and moderate-income levels for funding that including these new types of projects will add to the competition for funds.

"Banks left to their own devices will go with the most cost efficient," Doherty said.

He added that his CDFI, with \$50 million, is fairly large.

"I don't have a tremendous amount of concern today for my particular organization that I run. My concern is for peer organizations that are smaller, in the rural areas, and their balance sheets aren't as strong," he said.

Childears pointed out that some small local banks are focused solely on one small geographic area, while others, like Bank of America, have branches nationwide. But some newer banks are Internet only. They don't have a physical office or branch anywhere so "how do you define that one? How do you serve low- to moderate-income when basically you are operating nationwide? I don't know how they do that. They have to come up with a way to show they are serving the need of low- to moderate-income customers. That means they've probably developed certain products that are especially good for low- to moderate-income customers."

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Banks, credit unions defend roles in marketplace

By Dallas Heltzell
news@bizwestcom

The rivalry between banks and credit unions may not be quite as intense as the historic and often heated range wars pitting cattle ranchers versus sheep herders on the high plains. But that’s not to say the sparks don’t occasionally fly.

Both sides got a taste of the spat in January when Colorado state regulators overwhelmingly decided not to approve a measure that would have helped Boulder-based Elevations Credit Union in its quest to purchase the assets of Greeley-based Cache Bank & Trust to form a combined organization with \$2.2 billion in assets and 141,700 members.

Other issues involving the proposed sale also will face regulators; this one related to whether Cache could act in the same way a national bank would in terms of being absorbed by a state credit union, an action that finds no clear guidance in Colorado code. Robert Vinton, an attorney with Fairfield and Woods PC, who represented Cache in the hearing, argued that different treatment for state and national institutions “puts a state bank at a real disadvantage.”

But credit unions’ growing visibility in the financial-services sector has put many bankers on the defensive. Many think it’s unfair that as non-profit organizations, credit unions don’t pay taxes, which allows them to offer lower loan rates than banks.

“The average Coloradan pays \$5,800 in income taxes annually while every Colorado credit union — even \$2 billion institutions like Elevations — pays \$0,” Colorado Bankers Association CEO Don Childears said in a statement released after the vote, adding that “every dollar is needed” in an era of tight state revenues.

Credit union officials say the charges of unfairness are overblown.

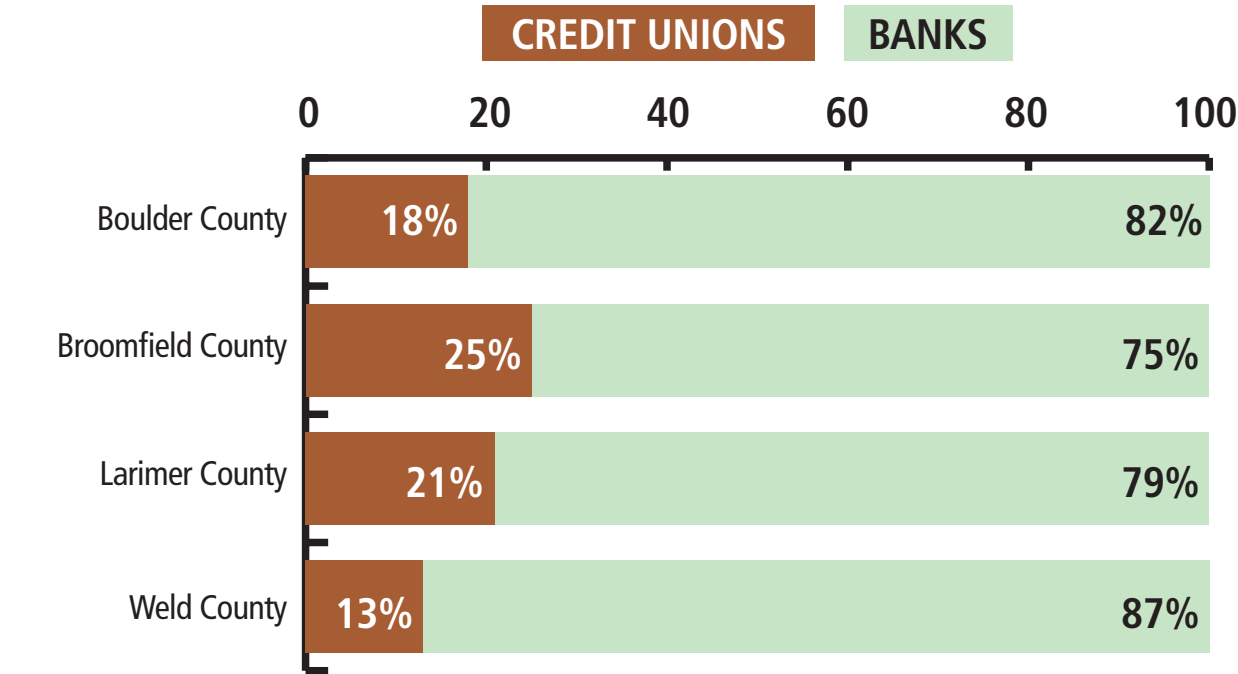
Representatives of Elevations Credit Union declined to comment for this article. But Jennifer Sussman, chief marketer for Ent Federal Credit Union, a Colorado Springs-based nonprofit that is aggressively targeting Northern Colorado for expansion, pointed out that banks still remain far more visible and have about four depositors for every one credit union account holder in the four-county northern Front Range corridor.

Credit unions indeed can offer lower rates and fees because “we don’t have stakeholders we have to pay outside of our members,” Sussman said, “and we do give back to members in terms of ‘extras’ such as greater interest on checking and savings accounts.”

However, she said, “banks tend to have more of a ubiquitous presence. They’re a lot more visible.”

According to the latest figures, posted last Sept. 30 by the Callahan branch analyzer, 14 credit-union institutions and 43 banks operated in Colo-

Share of deposits by county



Source: Callahan Branch Analyzer, as of Sept. 30, 2019

“We (credit unions) don’t have stakeholders we have to pay outside of our members, and we do give back to members in terms of ‘extras’ such as greater interest on checking and savings accounts.”

Jennifer Sussman, chief marketer for Ent Federal Credit Union

rado, and banks accounted for 81.62 percent of the business, compared with 18.38 percent for credit unions.

Not that credit unions haven’t tried to make the playing field a bit more even. Ent has launched a full-scale expansion drive in Northern Colorado. It already has branches in Firestone and Brighton, is looking for a spot in Greeley, and is building two branches in Fort Collins and one each in Windsor and Loveland.

But perception remains an issue, Sussman said. Shared branching, in which a customer with an account at one credit union can make deposits or withdrawals by walking into other credit unions under different names but which are part of a network, “is a benefit that may not be as well known,” she said.

“People also don’t realize we’re also federally insured,” Sussman said.

Credit unions originally were intended to serve specific clienteles such as teachers, students, members of the military or other public employees. Changes in how the institutions can be chartered have allowed them to alter those restrictions to include loca-

tion instead of vocation, but Sussman said much of the public still doesn’t realize “you don’t have to have a special affiliation to join.”

And while national banks such as Chase, Wells Fargo and US Bank have national advertising and brand identity, she said, “a few credit unions like Navy Federal are allowed to operate nationwide, but there are a lot fewer of those.

“Anybody in this space” — whether it’s a credit union or a smaller, locally owned bank — finds it tougher to compete for awareness “and for comfort people have in knowing you’re big enough that your money’s safe,” Sussman said. “There’s always that anxiety that can be there.”

One such institution is Wiggins-based High Plains Bank, which has branches in Longmont, Wiggins, Bennett and Flagler and only \$205 million in assets.

“All of our loans are within a 65-mile radius, said John Creighton, the bank’s president and chief executive.

Whereas credit unions market heavily to consumers, about 85 percent of High Plains’ lending goes to commercial interests, Creighton said. Yet because of its size, his bank does tout the same type of advantages credit unions do: a more personal relationship with account holders and flexibility to offer atypical helping hands such as three-month deferrals of loan payments because of the general shutdown of business and society triggered by the coronavirus pandemic.

“On March 7, I was at Longmont High School, sitting shoulder to shoulder with people,” Creighton said, “and three days later I was coming up with ways to help our customers with their cash flow ... and now we’re social distancing.

“Actually, we rarely think about

“On March 7, I was at Longmont High School, sitting shoulder to shoulder with people,” Creighton said, “and three days later I was coming up with ways to help our customers with their cash flow”

John Creighton, president and chief executive for High Plains Bank

credit unions or the large banks either,” he said. “We’re in a different niche. We don’t do the kind of consumer lending some banks do. We’re really just trying to focus on our customers, our communities. We know our customers almost by name throughout our loan portfolio. That’s the virtue of being small.

“We really rely on providing an intimate level of services,” he said. “We certainly lose customers to big banks and credit unions at some time, but it doesn’t change our business practices.”

Creighton said High Plains competes less with credit unions than with the Farm Credit Administration, which also doesn’t have the same tax burden banks do. And he does wish there were a more even playing field for competition.

“But I don’t lose sleep over it,” he said. “There’s definite advantages of being privately held.”

“At the end of the day there are different needs that everybody can serve better,” Ent’s Sussman said. “There’s a reason we both exist and we’re both contributing to society today.

David versus Goliath

A Fort Collins watchmaker's legal battle against a giant Swiss enterprise

By Dan Mika
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Editor's note: this story references a court case that had yet to be decided as of March 26. This story will not be updated, but coverage of the trial will continue on Bizwest.com.

FORT COLLINS and NEW YORK — For the past two years, Vortic Watch Co. founder RT Custer has been engaged in a legal fight for his company's life.

He launched out of a successful Kickstarter campaign in 2014 with a business model that's simple on its face: take an antique pocket watch from the pre-WWII era and modify the systems of gears and machinery underneath to fit into a 3D-printed wristwatch case.

So far, the company most recently made \$900,000 in 2019 from selling 350 watches, an increase over \$200,000 the year prior.

After features in the New York Times, NPR and a handful of other national media outlets, Vortic started to advertise in magazines, with one displaying a watch using a Hamilton face and movement.

Then, Swatch came knocking.

The Swiss watchmaking giant sent Vortic a cease-and-desist letter over the advertisement, which was showing a prototype for watches that weren't even in production.

Now, years later, a judge in New York City prepares to rule whether or not Swatch's claims of trademark infringement and counterfeiting are valid, a ruling that could make or break Vortic as a company.

"They probably looked at me like I was weak"

After Swatch's first letter arrived, the lawyer who helped incorporate Vortic recommended Custer reach out directly to Swatch to explain the "upcycling" process. He reached out to employees on LinkedIn and tried to contact executives in Switzerland for two years.

Custer was told to speak only to the company via its attorneys in a manner he said felt hostile.

"I was a kid, I was 23, and they probably looked at me like I was weak, like I was begging for forgiveness," he said.

Custer had back-and-forth conversations with Swatch's American attorneys for the next two years until July 17, 2017, when he was served with the lawsuit. In a last-ditch effort, he sent a handwritten letter to Switzerland offering to fly to Swatch headquarters and negotiate with the company in person.

The company's chief legal officer

sent him an email asking him to stop contacting the company's executives and ended it with an ominous warning.

"I'm paraphrasing, but she called me kid and said the exact words, 'this will all be over soon.'"

Swatch declined to comment for this story, saying it does not comment on active litigation.

A near settlement

Swatch is a conglomerate of some of the most well-known names in watchmaking history, including Logines, Tissot and Omega, the official timekeeper for the Olympics and the watches worn by Neil Armstrong, Michael Collins and Buzz Aldrin during the Apollo 11 mission to become the first humans to step foot on the moon.

Swatch acquired Hamilton in 1974, five years after Hamilton shut down operations at its hometown factory in Lancaster, Pennsylvania.

Between its 20 watch brands, Swatch sold the U.S. dollar equivalent of \$4.14 billion in the first half of 2019, according to its latest financial report.

Over the next few months after they were served, Vortic attempted to settle with Swatch and was close to reaching a deal when the company switched its representation. Custer said the new lawyers scratched the two years of settlement talks and laid an ultimatum: either give up entirely or prepare to go to court.

At that point in August last year, Custer was at his wits end. He had been caring for his mother for months as she dealt with cancer treatments, and his second son was just four days old. He was ready to declare bankruptcy to avoid the financial pain of a trial.

"I'm sitting in my car in front of my workshop here trying to figure out how the hell I'm going to explain to my employees that they might not have a job tomorrow," he said.

He searched on his phone for bankruptcy lawyers and happened on the site for Rob Lantz, a partner at Castle Lantz Maricle Murray in Denver. He managed to get Lantz on the line and explained the situation.

Lantz joined the case immediately. For the first time in a while, it seemed like someone outside of his family and friends believed Custer could prevail.

The trial

Swatch filed the lawsuit in the U.S. District of Southern New York, headquartered in Manhattan. Vortic's motion to move the trial to Colorado was denied, so Lantz and Custer had to fly to New York City for the trial.

Andrea Anderson, a partner specializing in trademark law at Boul-



COURTESY VORTIC WATCH CO.

Vortic Watch Co. founder RT Custer is in a legal battle with Swatch.

der-based Holland & Hart LLP, told BizWest branding laws are designed to protect consumers from being deceived, meaning Swatch has to be able to prove customers are mistaking Vortic watches with modern Hamiltons, or Vortic has to show it adequately disclosed that its products are different enough from Swatch's.

In particular, she said Swatch has to demonstrate confusion from customers looking to buy luxury watches rather than the general public. That becomes far more difficult to show when the target market is watch obsessives.

While brands have the right to defend their trademarks, Anderson said it's difficult for them to prevent people from buying those pieces for retrofitting or other purposes once it's out in the marketplace.

"The deal is, you sold it, it's out there in the stream of commerce and you can't really control third parties or what they're doing with their products that they bought from you legitimately," she said. "In this case where they're selling a used product, the risk is lower."

Lantz told BizWest Swatch's argument rests on two major points: that Vortic using vintage Hamilton watch faces constituted copyright infringement, and that the company was producing inferior knock-offs by mixing old Hamilton parts with modern parts so it would fit within a wristwatch

case.

Vortic holds that the watches using the Hamilton mark are clearly distinguishable from modern Hamilton-branded timepieces because it only repurposes Hamilton's American-made models decades before Swatch bought the brand, not the ones more recently made in Switzerland.

As the trial went on, Custer said Swatch's attorneys were trying to get him to say that his pieces were essentially "frankensteins watches" because of how they included non-Hamilton parts, a term that would give credence to Swatch's position that the Vortic timepieces are inferior in quality.

But Katz argues that Swatch-made Hamiltons currently sell for between \$380 to just over \$4,000 for the most expensive model while Vortic's range between \$1,500 to as much as \$7,500 for a piece. That doesn't translate to undercutting on price.

"The guy who's trying to get a deal, I think isn't going for one of the Vortic watches because they're so much more expensive than the new product," he said.

The trial ended on Feb. 19. As a bench case, the case and its verdict will be decided solely through U.S. District Court judge Alison Nathan's opinion.

If Nathan were to return a verdict in Vortic's favor, Lantz said Swatch has already threatened to appeal.

A precedent for restoration projects?

Lantz believes this case could set a precedent on the “upcycling” industry of crafters who restore and repurpose antiques for use today, granting the trademark holders expanded powers to dictate how those products can be modified. He pointed to the trend of putting electric engines on vintage motorcycle bodies or modifying minivans into stretch limousines as examples of niche trends that could be stopped if Vortic loses the case.

Also at stake, Lantz argued, is the history that Vortic watches aims to preserve.

American-made pocket watches before 1950 made the railroads run on time during the transportation medium’s infancy and were used to time bomber runs during World War II.

“These pocket watches represent those generations, that era, and they’re being discarded for the precious metals on the exterior of the watches, the gold, the silver, the other metals,” he said. “The cases, the watch face, the movement, the dials, they are truly beautiful pieces of art.”

However, Anderson believes it’s unlikely this case would set sweeping precedent for upcycling companies since the courts tend to take a case-by-case approach to ruling on copyright infringement.

Preserving stories

The lawsuit has made raising seed capital near-impossible for Vortic, as

Custer had to disclose to the Small Business Administration and potential investors that he was in federal litigation against one of his industry’s dominant players.

He also went through the legal strife of battling an international giant while managing a hectic home life. He has two infant sons, and his mother eventually died in early March.

So what has kept him stubborn enough to take the litigation all the way to the courtroom? Oddly enough, it’s not an innate love of timepieces.

“I’ll be honest, I am not a watch person, even though I run a watch company,” he admitted.

He is, at heart, a marketing nerd, the son of two advertising agency veterans. From a young age, he was taught that a good story is behind every good campaign to market a product. He believes retrofitting watches gives them a new forum in which their owners can tell the stories of what’s on their wrist, whether it was handed down over generations in a family or flew onboard a bomber soaring over Europe.

That, in his mind, is worth spending tens of thousands of dollars to fight to preserve.

“I’m making something that is priceless to these customers, and I’m the only one in the world who does what I do,” he said. “There’s something in that, that I can’t let go. I can’t let someone else tell me that the process of preserving someone’s legacy is illegal, because it’s not.”

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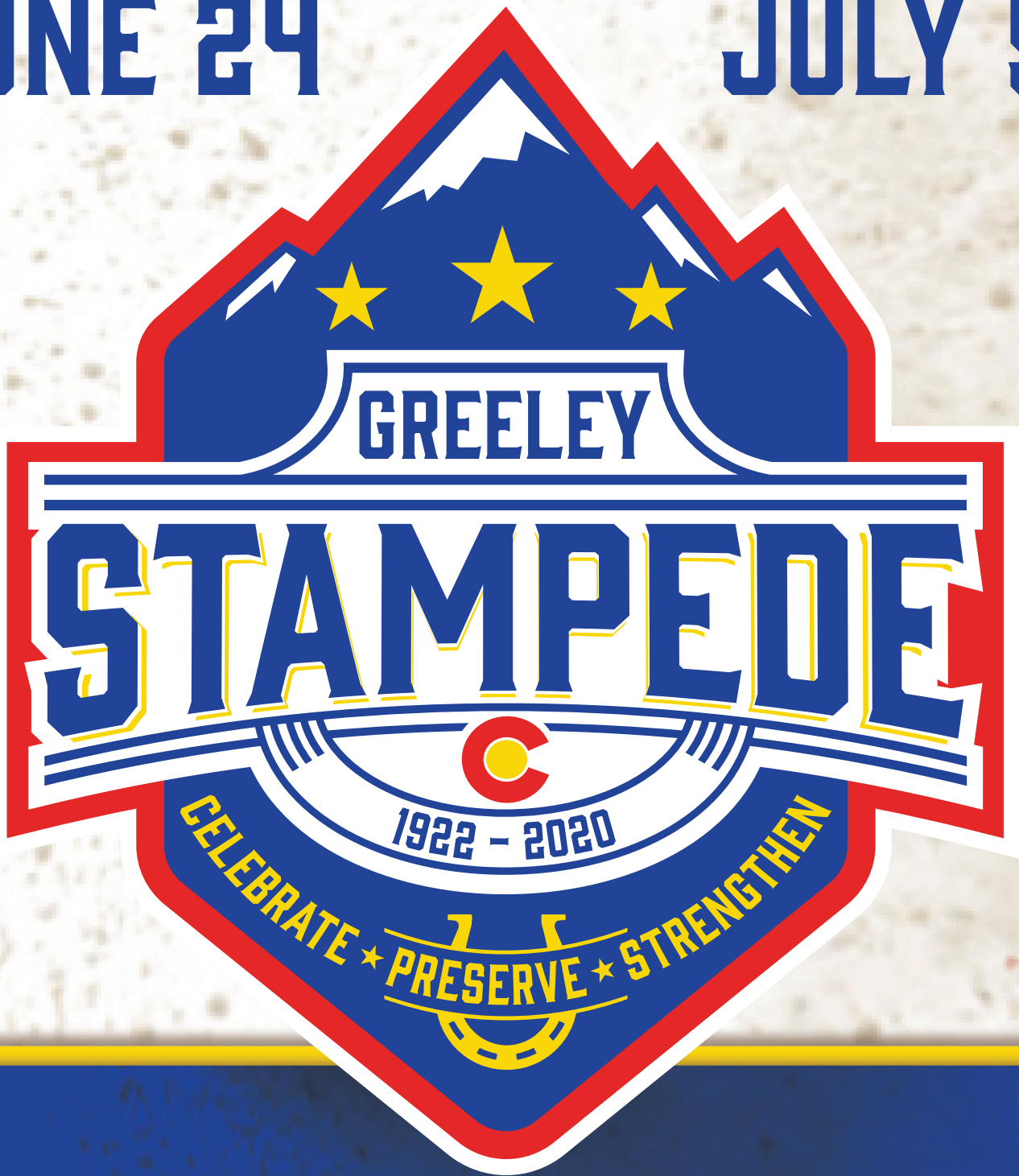
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Women broaden board perspectives

By Shelley Widhalm
news@bizwest.com

A growing body of research suggests that the lack of gender diversity on corporate boards and in the C-suites of America's companies results in underperformance.

One such study, titled "Women Create a Sustainable Future," produced by the University of California Berkeley Haas School of Business, said clearly in its executive summary that "companies that explicitly place value on gender diversity perform better in general." It also said that adding women to boards helps balance the tug of war between short-term profit and longer-term sustainability goals.

That report carried a 2012 date. Since that time, corporations around the country have moved to diversify their boards. Progress has been slow. As of March this year, women hold just 21.5 percent of directorships, according to Equilar Inc., which tracks this information among the Russell 3000 — the 3000 largest U.S. traded stocks. Equilar is an executive compensation and corporate governance firm.

Still, Equilar projected that at the current rate of growth, by 2030 U.S. corporate boards should be balanced among men and women. Sixty Russell companies are there now.

While many if not most companies are adding women to boards on their own, in California publicly traded companies can be fined \$100,000 if they fail to add women to their boards.

In Northern Colorado and the Boulder Valley, companies and nonprofit organizations are also adding women to their boards and to the C-Suite. Here are the experiences of three:

Namasté Solar

Boulder-based Namasté Solar has two women on its board, in line with trends that women make up a quarter of directors on the S&P 500 and 20 percent of boards globally.

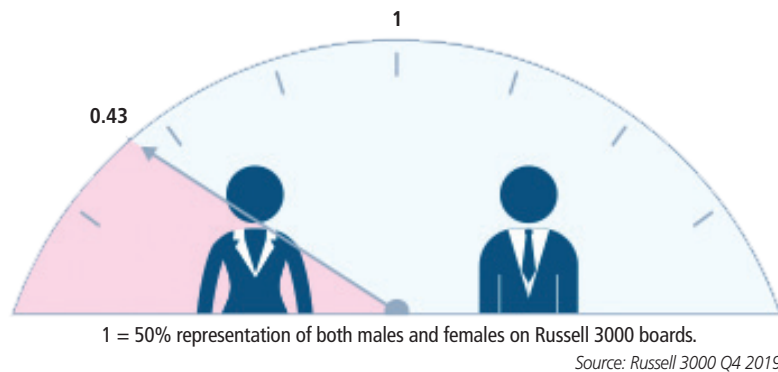
Company co-owners Angela Burke, senior director of technical services, and Molly Williams, residential operations manager, serve on a board of seven, which consists of four internal members, two external members and a swing seat representing the employee cooperative. The board grew from two members when the company was founded to five in 2008 and to seven in 2012.

"Part of that is having different voices on the board," said Burke, who lives in Littleton and has been with the company since 2013 and a co-owner since 2016. "It's important to have a wide range of interests, a wide set of interests and perspectives. ... It's important to have as many demographics (represented) as we can."

Gender Diversity Index (GDI)

Source: Equilar

Women Continue to Make Strides in the Boardroom

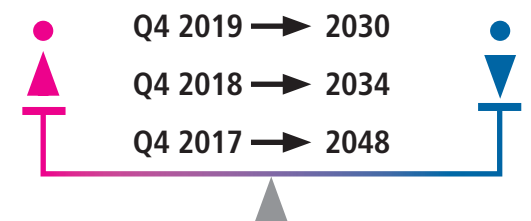


Q4 2019 = 0.43

The percentage of Russell 3000 board members who are women increased in Q4 2019 from 20.9% to 21.5%, raising the GDI to 0.43. The GDI continues to move closer to parity with each other.

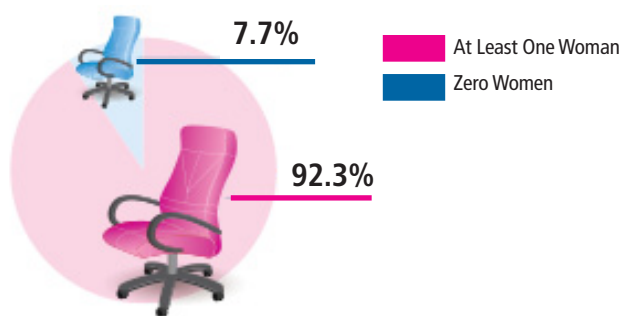
2030: The Year of Gender Parity?

At the current rate of growth of women joining boards, the Russell 3000 would achieve gender parity by 2030. This is significant progress from Q4 2017 when gender parity was expected by 2048.



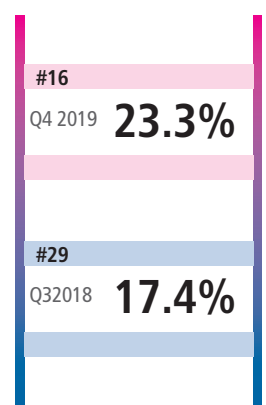
The Percentage of Boards Without Women Declines

In Q4 2019, 7.7% of Russell 3000 boards had zero women. This is a further decline from Q3 2019 when 9.3% of total boards lacked a female director.



California Climbs the GDI Ladder

In Q3 2018, California ranked 29th among all U.S. states in terms of the percentage of female board members (17.4%). California jumped to the 16th position in Q4 2019, with 23.3% of directorships held by women.



The co-owners of the company — there are 100 out of a staff of 210 — nominate and elect the board members for two-year staggered terms to ensure limited turnover each calendar year. The board meets on a quarterly basis in day-long meetings at the company's Denver office with out-of-state members calling in to participate.

"Because Namasté Solar has a unique business structure, our board is a little nontraditional," Burke said.

The company, which was founded in 2005, is a certified B corporation that balances people, profit and the planet and sees its fiduciary responsibility not just to shareholders, but also to other stakeholders, such as internal co-owners, external investors, the local community and the environment. The company also works on creating an inclusive workplace by incorporating companywide opt-in workshops and

book clubs that address power dynamics and unconscious bias.

"Certain biases in the unconscious part of the mind manifest in certain reactions to things," Burke said.

Company co-owners go through a one-year process working with an assigned mentor to gain more in-depth knowledge about the company and its finances before taking on partial ownership — 40 are currently going through that process to petition to become co-owners, with one share representing one vote.

"The employee ownership and election process feel pretty unique," Burke said. "As a woman at the board level, I feel very much respected and very much heard. It goes back to the company initiatives; I just feel empowered and supported as a female board member."

The board is what Burke terms as

nose-in and hands-off, engaged in asking questions to gather input.

"Having different perspectives and angles to come at those questions is really helpful. It gives a more comprehensive view of the initiatives the board wants to push for," Burke said.

After board and co-owner meetings, Burke often will reach out to those in attendance to clarify and deepen her understanding of what was discussed.

"I do a lot of one-on-one reaching out to make sure voices are heard, making sure the co-owners are heard at the board level and that their feedback and input is captured," Burke said. "There's an individual component that I tend to add into that board workflow."

Burke also reaches out to staff to identify issues that can be put on the next board agenda, she said.

“In the last few years here, I think we’ve had a few really strong female voices at the executive and board levels,” Burke said. “I’ve seen some strong female leadership in the last few years that encourages and empowers other women to pursue other leadership roles.”

McKee Wellness Foundation

The board for the McKee Wellness Foundation, a grant-funding organization that focuses on health and wellness initiatives and partners with Banner Health, has an near-equal representation of men and women on its 16-member board — currently, there are seven women and nine men listed on the organization’s website. The Loveland-based board, in existence since 1981, provides fiduciary and governing oversight to operations as representatives of the community or stakeholder group. It is made up of members of the community and meets every other month at the McKee Medical Center or another available boardroom.

“It’s important to have women on the board for their voices to be heard in the community,” said Allis Gilbert, executive director of the McKee Wellness Foundation. “Having all voices represented is an important part of a fair and balanced process. ... Women should be represented in all organizations and boards. This one is as important as any other business to have women’s voices heard and understood.”

Members serve three-year terms for no more than three terms. They are recruited on a one-on-one basis



BIZWEST FILE PHOTO

and in a personal fashion to represent different businesses, causes and passions, Gilbert said, adding that potential members are considered based on their attendance at foundation events, volunteer and donation efforts, prominence in the community and interest in the foundation’s causes. She and the other board members do the recruiting, she said.

Once they join the board, board members volunteer at the foundation and other community events and have a community presence..

“They are able to make and build relations and talk about what the foundation is doing,” Gilbert said. “It’s a great opportunity to engage with the community at a variety of levels through volunteering, fundraising and grant making.”

UCHealth

UCHealth has a system-wide board, plus seven boards for the 12 hospitals in its system, represented by more than

28 percent women.

“I think that’s even better than the average of Fortune 500 companies,” said Laurie Steele of Windsor, a member of the UCHealth board of directors who has been on various hospital boards since 2002 and is the senior vice president of Burns Marketing. “It’s a little more representative of our staff — our staff is composed of 79 percent women throughout the system, which is due to the nature of nursing,” she said.

UCHealth has a senior executive staff that is 49 percent women, with the director level at 60 percent and the manager level at 73 percent.

“I feel that having women on the board, it also helps encourage more women in leadership, management and director roles,” Steele said, adding that being diverse and inclusive is part of UCHealth’s values. “We want to represent our employees. We want to represent our patients and families.”

The overall UCHealth board has 11

members, two of whom are women, though more women have been on the board in past years. The board meets monthly, and members serve three-year terms and are not term-limited. Part of that is because the board represents a complex industry that takes time to understand, Steele said.

“One thing we try to do with our board is to make sure it’s well-rounded in terms of expertise,” Steele said. “Everyone brings different backgrounds and expertise. ... Women might have a different perspective and communication style.”

Women also have access to different people and networks, which is good for recruiting board members and finding employees, consultants and experts, Steele said. When a seat needs to be filled, the board members generate ideas for nominations based on experience, talents, availability and diversity in gender and race, she said.

Steele recalled one female board member who asked the board to slow down in decision making and to stop and think about things, she said.

“Maybe communication styles [of women] are different sometimes, again maybe a more thoughtful approach,” Steele said.

Men, however, have to be supportive of having that female representation on a board, Steele said.

“It takes male leaders in an organization to be champions of that to improve these numbers. That’s why we have such a high representation of women throughout the organization,” Steele said. “It tends to be in our DNA at UCHealth. It’s something we do and always have done.”

Virus crisis provides chance for growth

Editor’s note: Ask your questions here about COVID-19 disruptions to your Life@Work. Jessica Hartung, author of The Conscious Professional: Transform Your Life at Work, designed this column to answer reader questions about challenging issues they face in their work lives. Submit questions to jessica@workthatmatters.com

Dear Jessica,

I’m new to my role — 5 weeks in. I am supposed to be getting to know people and building trust as an HR specialist, but we are all working from home now because of COVID-19. The teams I support are asking me lots of questions I don’t have answers to about layoffs and more. I’m worried about being “last in-first out.” Any ideas how to deal with this?

Strengthening relationships at this time of change and disruption is an opportunity for everyone right now, no matter how long they have been employed with the organization. For a new person, you have a perfect case study for strategic reframing.

This situation could be seen as hopeless, causing you to withdraw, become invisible, and increase the

likelihood you would be let go. Or it could be reframed as your opportunity to shine. Being new gives you license to reach out to people, to ask questions, and to gain clarity. As the



LIFE @ WORK
JESSICA HARTUNG

new HR person whose role it is to provide support, build trust, and get to know people’s HR needs, you have a great opportunity to build your own structure for remote relationship building and

data collection.

One of the best ways to position yourself for ongoing employment is to add value in an area that is really important for the business and create visibility for good work. First revisit your company’s objectives to ensure your efforts are in alignment with them. Identify the most useful purpose you could reach out to your team. Providing connection, information, and good listening is always relevant, but add in topical content and questions that specifically furthers those key objectives.

Knowing what matters to the people you serve always helps you to serve them better.

After you create a plan for connecting with individuals or small groups of people to provide support and listen to their ideas, I would encourage cultivating your own sense of gratitude and peace of mind so that when you reach out you are grounded and prepared to be a supportive listener, and to reimagine existing processes. This time is a perfect catalyst for business process improvement and change management. What is possible now that never would have happened last year? Innovation is born in times of constraint. People just like you can lead internally to find better ways to meet needs.

Now is the time to turn the unexpected into just a bump in the road, not a barrier. Your strategic thinking will be a strong asset. Reflect on the values you hold about helping people. When you combine that intention with the technology you have available to you, what else is possible? How will your values lead you to serve now? Keep asking and exploring; there may be multiple lay-

ers to this.

Start brainstorming ways to improve the situation in collaboration with others. Identify the current needs for training and development so that the organization can thrive in new circumstances. Help identify cost-effective ways to get those needs met. If the needs seem way too big, keep chunking them down. Ask yourself: “What could we do in the next couple of weeks that would make a difference?”

Finally, share results with your managers. You may want to provide a summary report of training needs, or three options for how to best increase virtual facilitation skills, or other specific, fact-based approaches you can implement with their approval.

Building your capacity to stay calm, helpful, and strategically focused during this unprecedented time will surely be full of learning and challenges. Let me know how it goes!

Jessica Hartung is a work coach and founder of Work That Matters & Integrated Work, a Boulder company. She can be reached at jessica@jessica-hartung.com, 303-516-9001.

Federal aid supports state farmers

By Paula Aven Gladych
news@bizwest.com

Questions have been raised over many years about who receives farm subsidies and why. Some claim that most of the money from subsidies ends up lining the pockets of large conglomerates that don't need the money instead of supporting small, struggling farm operations that don't have deep resources. The industry itself believes the system works exactly as designed.

Colorado farmers received \$7.35 billion in subsidies from 1995 to 2019, according to information compiled by the Environmental Working Group; \$2.77 billion of that went to commodity programs; \$1.95 billion went to conservation programs; \$1.68 billion went to crop insurance subsidies and \$947 million went to disaster programs.

According to the U.S. Department of Agriculture, 77 percent of farms in Colorado did not collect subsidy payments.

From 1995 to 2019, 34,203 entities received wheat subsidies in the amount of \$1.973 billion; 18,129 recipients received \$1.726 billion from the Conservation Reserve Program; and 20,109 recipients received \$1.696 billion in corn subsidies.

John Newton, chief economist for The American Farm Bureau Federation in Washington, D.C., said that "the first thing to clarify is that outside of the trade assistance farmers received this year, they don't receive any direct subsidies. That's a common misconception. What farmers get is crop insurance and they also have more target-based support."

What that means is that if the price of commodities falls below a certain level, it triggers a deficiency payment that is dependent on price.

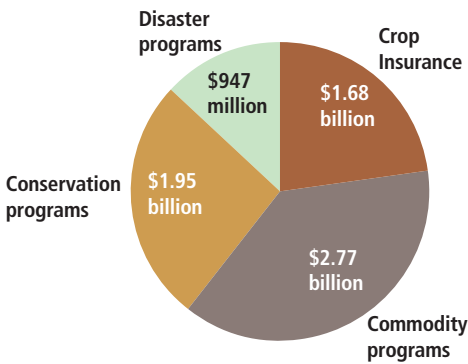
"Something has to trigger financial support from the government. Over the past few years, with commodity prices remaining low, those have been triggered quite often," Newton said.

Subsidies are available for most major field crops, including corn, soybeans, wheat, rice and peanuts. There aren't any similar programs for pork, poultry or cattle. The dairy industry does have a safety net program.

Why don't producers who work in livestock reap the benefit of similar financial help programs? Newton said he believes it is because those systems are usually closed loop systems. The producer leases space from farmers, including barns, and the farmers give them the feed. "[Ranchers] don't have the same risk exposures as farmers planting a crop and dealing with mother nature. The cattle industry, they have been long opposed to any

Colorado Farm Subsidies, 1995-2019

Colorado farmers collected a total of \$7.35 billion in subsidies since 1995.



kind of federal intervention," he said. Bankruptcies did accelerate by 20 percent from 2018 to 2019 but that was "10 times below where we were in the 1980s when we had the last major farm financial crisis. While it went up, it is still below the record highs in the 1980s," Newton said.

Many of the nation's medium-size farms have disappeared since 1950. They either get bigger or they get consolidated into larger operations, "what economists call the hollowing out of the middle," he said. What that means is that there are still small family farms and large agribusinesses but very few operations in the middle range.

Many smaller operations don't need farm assistance, he said, mainly because they are in a different financial position, equity wise, and can continue despite low commodity prices. Many small farms have already paid off their buildings, land and equipment so they are able to "withstand low prices a little bit longer than someone with higher debt or cost structure," he said.

That said, smaller farms that have at least 10 acres can qualify for subsidies. The average farm in the U.S. is 444 acres. Smaller farms raising fruits and vegetables on three acres are unlikely to receive that type of financial support but may be eligible for other farm assistance, such as technical or conservation programs, he said.

The coronavirus will have a negative impact on agriculture because people are not able to get out and spend money or buy food from restaurants. He pointed out that about half of all food consumed in the United States is consumed in restaurants. Many states have closed restaurants to slow the spread of the virus. Add to that the trade war with China and it has not been the best year for farmers, he said.

"If people aren't in restaurants, there's a multiplier effect throughout

Subsidies by county since 1995

Larimer	\$39,413,548.00
Weld	\$581,050,393.00
Boulder	\$10,121,325.00
Broomfield	\$351,507.00
Highest in state: Kit Carson County	\$764,591,675.00

Source: Environmental Working Group

the economy," he said. If people aren't buying food at restaurants or attending sporting events, workers aren't receiving wages or tips.

The ag business depends on that. "As that slows down and the export market slows down, it will have a ripple effect. Ag is on shaky ground because of the trade war. It is another shaky year for farmers," Newton said.

Even though trade agreements have been signed, no one is buying anything. China has been shut down for 30 days so there is no product moving.

Don Carr, senior adviser for EWG Midwest, said that his organization, the Environmental Working Group, started collecting data from the U.S. Department of Agriculture to get a better understanding of how subsidies and the industry's conservation programs really work. He believes that taxpayers are funding farm consolidation through subsidies. The bigger the farm operation, the bigger the check, he said, and those large corporate farmers capitalize on those funds by buying out their neighbors when they go out of business.

Many family-owned farms are "massive," he said. They are big business. The problem with the subsidy program, as he sees it, is that each person gets a subsidy payment to maximize the subsidies in these operations. Family members could include immediate family, cousins, nephews, brothers and sisters.

"From an environmental perspective, crop insurance and subsidies encourage people to plant as much as possible, to generate as much yield as possible, which works at cross purposes with conservation," Carr said. These big farming operations use chemicals to increase yields.

"We have a subsidy program that works against good environmental outcomes," he added.

Colorado is cattle country, he said. If the children of farmers want to come back and work the land, but grain prices are low, many take advantage of the asset they do have, land. That is why many Colorado farm operations have expanded to include hog barns and chicken coops. They add in a revenue stream with an asset they already have, he said.

And even though livestock farmers don't receive direct subsidies, they are subsidized indirectly, Carr said. They receive disaster payments and the corn and other grains that get fed to the livestock are highly subsidized by the government. Cattle ranchers also can graze their cattle on federal land for cheap, which "is another indirect subsidy," he said.

In a recent blog post, EWG took a closer look at President Trump's 2018 bailout program to offset losses farmers were experiencing from the trade war with China. "Funded through the Commodity Credit Corp., a government entity that can borrow up to \$30 billion from the treasury, the bailout has circumvented Congressional oversight," according to the blog.

So far, the USDA has paid out \$14.5 billion. Through Freedom of Information Act requests to the USDA, EWG got to look at these payments.

"We found that rather than supporting small, struggling farmers, MFP [Market Facilitation Program] money has overwhelmingly gone to farmers who are already wealthy, as well as to people who live in cities and other places far from the fields," according to EWG. Many recipients received more than the maximum payment limit for these funds because "many farms are set up as partnerships, and each partner can apply for the maximum aid available."

All recipients are supposed to be actively engaged in farming, but the requirement can be met through a phone call that discusses what the farm should plant.

According to an audit by the U.S. Government Accountability Office, conducted from July 2017 through May 2018, of programs that require active engagement in farming, the USDA distributed about \$2.7 billion in payments to 95,417 entities, such as corporations, general partnerships, joint ventures and limited liability companies. It also distributed an average of \$884,495 in payments to the 50 farming operations receiving the highest payments for 2015. Those payments were "predominantly based on members' claimed contributions of combined management and labor (74.6 percent) and management (23.1 percent), while labor was 2.3 percent."



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1	JBS USA 1770 Promontory Circle Greeley, CO 80634	4,600	Animal meat producer and exporter.	970-506-8000/N/A margaret.mcdonald@jbsa.com www.jbsa.com	Andre Nogueira, CEO 1953
2	Aurora Organic Dairy 7388 Colorado Highway 66 Platteville, CO 80651	550	Certified organic milk and butter.	720-564-6296/720-564-0409 info@aodmilk.com www.aodmilk.com	Scott McGinty, CEO 2003
3	Leprino Foods 1302 N. First Ave. Greeley, CO 80631	535	Dairy food and ingredient company.	970-351-6041/N/A www.leprinofoods.com	Mike Durkin, president 1950
4	Nutrien Ltd. 3005 Rocky Mountain Ave. Loveland, CO 80538	525 ¹	Marketer and distributor of fertilizer, seed and crop protection products.	970-685-3300/970-347-1560 info@nutrien.com www.nutrien.com	Charles Magro, CEO/president 1978
5	Noosa Yoghurt LLC 4120 County Road 25E Bellvue, CO 80512	250	Cultured dairy products.	970-493-0949/N/A info@noosayoghurt.com www.noosayoghurt.com	Wade Groetsch, president/COO 2010
6	Agfinity Inc. 260 Factory Road Eaton, CO 80615	250	Agricultural cooperative serving both the urban and rural communities of Northern Colorado. Business units that work in retail, animal nutrition, refined fuels, propane, car-care centers, grain and agronomy.	970-454-4000/970-454-2144 mreinert@agfinityinc.com www.agfinityinc.com	Jason Brancel, CEO/President 1905
7	Colorado Premium Foods 2035 Second Ave Greeley, CO 80631-7201	250	Provides a variety of fresh, frozen or consumer-ready meats to major U.S. retailers, restaurant chains and food-service companies worldwide.	970-313-4400/N/A zack.henderson@coloradopremium.com www.coloradopremium.com	Kevin LaFleur, co-founder & president 1998
8	Pinnacle Agriculture Holdings LLC 1800 Fall River Drive, Suite 100 Loveland, CO 80538	200	Agricultural retail distribution business created through acquisitions and greenfield retail establishments.	970-800-4300/N/A www.pinnacleag.com	Robert Marchbank, president & CEO 2012
9	Animal Health International Inc. 822 Seventh St., Suite 740 Greeley, CO 80631	160	Distributes animal-health products.	970-353-2600/N/A www.animalhealth.com	Kevin Pohlman, president & CEO 2010
10	Hungenberg Produce Inc. 976 N. Balsam Ave. Greeley, CO 80631	150	Fresh carrots, cabbage.	970-356-6616/970-356-0730 jordan@hungenbergproduce.com www.hungenbergproduce.com	Paul Hungenberg, secretary/treasurer 1974
11	4Rivers Equipment 924 11th St. Greeley, CO 80631	130	John Deere agricultural products and equipment, construction equipment, dairy loaders, hay tools, lawn tractors and repairs for all models.	970-313-2559/N/A info@4RiversEquipment.com www.4RiversEquipment.com	Mike Meth, director 2006
12	Double J Meat Packing Inc. 726 W. Main St. Pierce, CO 80650	120	Custom butchering and processing of beef, bison and lamb.	970-834-1388/970-834-9727 kelli@doublejinc.com doublejcuts.com	Jay Hasbrouck, president 2002
13	Forney Industries Inc. 2057 Vermont Drive Fort Collins, CO 80525	105	Distributor of products to the retail and industrial sectors specializing in hardware, automotive after market and farm/ranch.	970-482-7271/970-498-9505 sales@forneyind.com www.forneyind.com	Steve Anderson, CEO/president 1932
14	Harsh International Inc. 600 Oak Ave. Eaton, CO 80615	96	Manufactures cattle-feeding equipment, hydraulic truck equipment. Arctic Cat dealer, Textron UTV dealer, Segway dealer, Bad Boy Mower dealer, and Husqvarna dealer. Sig Sauer Master Dealer	970-454-2291/970-454-3491 harsh@harshenviro.com www.harshenviro.com and www.harshoutdoors.com	Robert Brown, president 1948
15	Morning Fresh Farms Inc. 15121 County Road 32 Platteville, CO 80651	88	Producer of farm-fresh eggs.	970-785-2889/N/A ap@morningfresh.com www.morningfresh.com	Derek Yancy, president 1978
16	Meadow Gold Dairy 450 25th St. Greeley, CO 80631	82	Dairy products.	970-352-7860/970-352-0174 scott_johnson@deanfoods.com www.deanfoods.com	Scott Johnson, sales manager; John Guerin, general manager 1937
17	Centennial Ag. Supply Co. 24330 U.S. Highway 34 Greeley, CO 80631	74	Agricultural fertilizers and chemicals.	970-353-2567/970-351-7416 lindah@centag.com www.centag.com	Jake Adler, president 1976
18	Dairy Specialists LLC 3309 Empire St. Evans, CO 80620	65	Dairy equipment, supplies, service and maintenance. Agricultural waste specialists, equipment and supplies. Design services.	970-330-1870/970-330-1872 bbrown@dairyspecialists.com www.dairyspecialists.com	Randy Sorensen, CEO 1991
19	Ranch-Way Feed Mills Inc. 416 Linden St. Fort Collins, CO 80524	65	Livestock feed, manufacturer and distributor of pet food, and specialty products.	970-482-1662/970-482-6963 info@ranch-way.com www.ranch-way.com	Bonnie Szidon, president; Kim Szidon, general manager 1968
20	A-1 Organics Inc. 16350 Weld County Road 76 Eaton, CO 80615-8705	36	Recycling services, food-waste recycling, green waste recycling, wood waste recycling, recycler of organic non-toxic, non-hazardous materials. Producers of Mulch and Compost.	970-454-3492/970-454-3232 info@a1organics.com www.a1organics.com	Travis Bahnsen, president 1974
21	Sakata Farms 901 S. Fourth Ave. Brighton, CO 80601	35	Grow, process, ship fresh vegetables.	303-659-1559/303-659-7865 sakatafarms@aol.com	Robert Sakata, president 1944
22	Front Range Energy 31375 Great Western Drive Windsor, CO 80550	33	Biofuel (ethanol) production, distillers, grains livestock feed, syrup livestock feed, corn oil, CO2 products (dry ice).	970-674-2910/970-674-2914 www.frontrangeenergy.com	Dan Sanders Jr, vice president 2004
23	Innovative Foods LLC 4320 Industrial Parkway Evans, CO 80620	25	USDA slaughter and processing of beef, pork, lambs, goats and buffalo. Retail and wholesale sales.	970-330-8400/970-330-6378 ifoods@what-wire.com www.innovativefoodsco.com	Dave Ellicott, owner/manager; Tami Ellicott, owners 2007
24	AgPro Environmental Services LLC, dba AGPROfessionals 3050 67th Ave. Greeley, CO 80634	24	Agriculture development & consulting, including planning, permitting, civil/structural/geotech/ag engineers, surveying, environmental, agronomy, finance, public relations and real estate.	970-535-9318/970-535-9854 tharen@agpros.com www.agpros.com	Thomas Haren, CEO 1996
25	Weld County Bi-Products Inc. 1138 N. 11th Ave. Greeley, CO 80631-9501	12	Frozen beef for pet food, hides & skins, offal products.	970-352-1788/970-356-3890 lulrich862@aol.com	Elmer Ulrich, president; Lonna Ulrich, CFO; Steven Ulrich, CEO 1965

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Columbine Health Systems is gearing up to celebrate our Golden Anniversary this year! Our first-rate medical care and sense of pride in our work contributes to daily accomplishments of our employees. Our residents are our top priority and we strive to provide the care, compassion, and ingenuity which promote well-being for our residents and our team members!

Columbine has held a prominent name in our community for years. We provide care in the Fort Collins, Loveland, and Windsor areas at our Skilled Nursing Facilities, Assisted Living, Independent Living, and Patio Home communities. Community services include: Columbine Poudre Home Care and Bloom at Home, Columbine Medical Equipment, Front Range Therapy, and Poudre Infusion Therapy. Our Windsor campus will have a 30-bed addition to our Skilled Facility later this year!

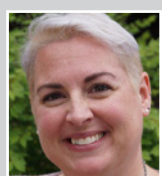
We connect with our community by building relationships with local businesses, universities, and schools. We have a successful Apprenticeship program which has provided several high school students an opportunity to immerse themselves in the clinical and non-clinical aspects of healthcare while receiving certified nursing assistant licensure and earning a paycheck!

Columbine focuses on acquiring talented employees who are passionate about their work. Columbine offers a variety of positions from entry-level to the professional.

Columbine values your input and talents, but also your home and work life balance. We collaborate with WorkLife Partnership to help support employees to achieve that productive balance.

Employees working 24 hours plus per week are eligible for benefits including PTO, Health, Vision, Dental, 401K, discounts from our pharmacy and healthcare clinic, which is free to plan participants and their dependents. All employees have 3 opportunities for raises their 1st year! The nursing department offers shift and weekend differential pay.

See columbinehealth.com for your opportunities!



Angie Scarpello RN, BSN
Clinical Recruiter

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MARKETING

How to Build Trust With Customers in Trying Times

Right now is a frightening time for almost any business. Some grocery stores are thriving. Others may have experienced only minor disruptions. At the other end of the scale, some businesses are simply impossible to operate under the restrictions of social distancing and shelter-in-place orders. This will lead some companies to cut corners in order to squeeze whatever they still can out of customers in the short term. That's the wrong mindset. It's easy to be trustworthy when times are good. Now is the time when ethics are tested and consumers will remember which companies maintained their principles in the face of uncertainty and dramatic change.

Here are some tips that you can use to build the trust now that will make recovery that much easier.

Be Upfront About What Customers Can Expect

If you do not know when operations will return to normal, communicate that to consumers. Saying you will be closed "until further notice" is better than a two-week closure that is extended by a week every week.

Anticipate, Don't Just React

Do not set your contingency plans in stone based on today's situation. Restrictions may be tightened or loosened any day. If you will be adding a service like no-contact delivery, think about what conditions (good or bad) might cause you to suspend that service before you offer it, and how you will communicate the change to customers.

Be Willing to Share the Burden

Your business is likely hurting right now. But so are your customers. Everyone is feeling the pinch. The more flexible you can be in things like payment terms, delivery/pickup options, and extra fees, the more likely you will be remembered as a business that pitched in to help everyone get through this crisis.

Show Abnormal Gratitude for Normal Business

Anyone choosing to do business with you is taking on a risk, whether that tomorrow's press conference means they won't get what they paid for, or that they are spending money when they aren't sure their next paycheck will be on time. Acknowledge that your customers are going out on a limb by simply doing what they do with your business every day. Handwritten notes and a little something extra (lagniappe) can take the place of an in-person thank you.



Shelley Polansky
Better Business Bureau

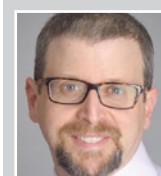
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HEALTH CARE

A message from our family to yours:

We understand that Coronavirus (COVID-19) may have added significantly to the anxiety and emotion that's evoked by hospice and palliative care even in the best of times.



Nate Lamkin
Pathways

Driven by our dedication to the highest-quality life-enhancing care, our team of compassionate caregivers is rising to this unprecedented challenge.

As a mission-driven nonprofit, we have prepared for difficult times like this.

We are ready, and we know that it will bring out the best in all of us. In keeping with our long-standing promise to our patients and their families, we will stay focused on the principles and values that underlie everything we do:

- We will prioritize the health, safety and wellness of our patients, their families, our committed employees, our selfless volunteers, and our other trusted partners.
- We will provide timely and accurate information as the situation evolves, taking a transparent approach to answering questions or addressing concerns.
- We will work every day to overcome any emerging barriers between our caregivers and our patients – all to ensure that we're doing everything possible to meet their emotional, physical and spiritual needs.

This is when we dig deep, follow our training, and stay in close touch with the compassion that brought us to this work.

We will be by your side as we take this journey together, and our community will emerge from this crisis stronger than before.



Nate Lamkin, President
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BW BREWING

Tunes in their hearts keep Intersect brewing

By Dallas Heltzell
news@bizwest.com

FORT COLLINS — The music may not be playing at Intersect Brewing during this buttoned-down pandemic era, but the melody lingers on in its music-themed beers.

Gov. Jared Polis' March 16 order to close the state's bars and restaurants during the coronavirus crisis meant lights out for the pinball wizards and other classic-rock cravers who used to frequent the spacious spot tucked into a nearly hidden corner of a shopping center behind Safeway on the northwest corner of Drake and Taft Hill roads. But their favorite flavors still flow for carryout in four- and six-packs until normalcy returns.

"If this saves even one life, this is the right thing to do and we support it in spite of the impact on our staff and business," owners Will and Mandie Herdrick wrote on St. Patrick's Day in an email to their customers that reflected the sense of community the couple wanted to foster when they opened Intersect Brewing in August 2016.

That focus has made seeing an empty 2,000-square-foot taproom painful for its owners, who built a family-friendly space complete with a kids' play area.

In normal times, "we're 95 percent focused on the taproom because we like to be close to our customers and our community and watch them enjoy it," said Will Herdrick, who said the other 5 percent got distributed in kegs or cans to 10 or 15 liquor stores.

Head brewer Riley Reid presides over a 3,500-square-foot production area containing four seven-barrel and two 15-barrel fermenters with an annual capacity of 1,500 barrels.

Each tank carries the name of a rock 'n' roll star, and most of the beers boast names pulled from classic-rock lyrics. The hoppy "Tramps Like Us" East Coast IPA pulls a line from New Jersey native Bruce Springsteen's 1975 hit "Born to Run," for instance, while the "Hollywood Bungalow" blackberry gose recalls The Doors' 1971 "L.A. Woman" and a mixed-berry hard seltzer is called "Girl, You Know It's True," reflecting German pop group Milli Vanilli's 1988 Top-10 single.

Perhaps more wistfully reflective of current conditions is a malty dopelbock named for Skygaze's 2019 club tune "Empty Dancefloor."

Song titles and lyrics also cover some of the taproom walls that aren't already covered in album art, and some racks are filled with new and used vinyl records for sale.

"I've been a music junkie all my life," Will Herdrick explained, remembering his early days as a garage homebrewer.

"It makes for a very long day. You spend a lot of time out in the garage,



DALLAS HELTZELL / FOR BIZWEST

Will Herdrick operates Intersect Brewing in Fort Collins.

and there are a lot of big breaks," he said. "If you're brewing by yourself, you need something to do, some inspiration. I always had some music rockin' out with me in the garage. And then I'd think, 'What sounds good to brew that would go with this music? So it was a natural transition to bring it to the brewery.'

When it's open, the bar offers snacks brought in from various local eateries: including Fort Collins' Pizza Casbah, Matador Mexican Grill, Rocky Mountain Salsa, and Mouco Cheese, and Boulder-based On Tap Kitchen.

Intersect has live music, too — on warmer weekend nights from May into October out on the 5,000-square-foot patio that connects to the taproom and three-sided bar with several garage doors that can be opened. The brewery also hosts bi-weekly bingo nights, spring and fall makers' markets where such items as handcrafted baked goods and jewelry are sold, an annual party at the end of August to celebrate the brewery's anniversary, and a kids-themed Halloween party on the last Saturday in October. There also have been events where beers are paired with cupcakes or pies.

That intersection of beer, music and community makes the taproom unique for the Herdricks; hence the name Intersect Brewing. Perhaps that's a more memorable moniker than the couple's first choice, Absolute Threshold, which got changed after the makers of Absolut vodka complained.

The last thing Herdrick wanted was to be on the absolute threshold of a career for which he had little passion — trying to manage a 15-state software sales territory.

"I didn't want to spend another 20 or 30 years on the field I was in," he said. "I was more interested in doing some-

If you go

Intersect Brewing

2160 W. Drake Road, Unit A-1
Fort Collins
970-682-2041
Intersectbrewing.com

thing I loved, even if it was a sacrifice of money, versus something I didn't like, for good money.

"When my wife and I started having children" — Ethan and Sienna — "it was like a 180. You stop thinking about yourself so much and start thinking about your little ones that you're completely responsible for turning them out into the world eventually, and I started thinking about how I could show them a different path in life versus traditional high school, college, white-collar jobs. I could show them that there are other jobs, and you should pursue your passion regardless of money."

Raised in Iowa and Missouri by parents who were vegetarians and marathon runners, and enamored by Colorado's craft-beer lifestyle, Herdrick and his wife moved to Fort Collins to raise their family because of the community's cultural diversity, full slate of things to do and small-town feel, and knew running a music-themed brewery in a town known for beer, bikes and bands would fit in.

His friends and family gave Herdrick high praise for his homebrewed ales, but "the feedback you always get from your friends and family, you have to take with a grain of salt. They're not necessarily always honest," he said. "I started entering some contests and one of my beers was named best in show among 118 beers — so I knew I had the

talent."

He also knew he could run a business, tapping his experience of doing "every imaginable job in restaurants and bars from dishwasher to general manager and everything in between. And I had the sales and marketing from my software decade, and I always had this entrepreneurial spirit,"

Intersect boasts a diverse tap list, Herdrick said. "We try to check off as many of the style boxes as we can, with up to 19 beers on tap — three or four focused on the IPA side and then we mix the rest between lights and darks, one-offs, a couple sours. They're mostly 4 to 6 percent alcohol by volume because we want people to be able to enjoy a couple pints in the taproom."

Mandie Herdrick, an oncology nurse at Children's Hospital in Aurora, uses her microbiology background to provide quality control at a mini-lab in back "to make sure we have some really healthy yeast to make good beer," Will Herdrick said. "We're 50/50 in all decisions. She also oversees the taproom and staff, coordinates events and does our social media."

Beers that go out the door for distribution — and nowadays for carryout — are packaged by Fort Collins-based mobile canning company Rhoadey Canning Solutions.

What's next for the Herdricks and Intersect?

"We're pretty content with the way we are," Will Herdrick said. "I think the industry passed the saturation point a couple of years ago. We just want to focus on the taproom and keep our customers happy."

And, of course, yearn for the day when those customers can once again fill that taproom and, in the words of Sly and the Family Stone, "Dance to the Music."

AN ADVERTISING FEATURE OF BIZWEST



ThoughtLeaders

BUSINESS ANSWERS FROM THE EXPERTS

PAYROLL & WORKFORCE SERVICES

Are You Prepared for A Remote Workforce?

As most employers are discovering with the unprecedented disruption caused by the Coronavirus, we should prepare for changing work environments. What we are learning from the COVID-19 pandemic can be applied to other work disruption events such as wildfires, weather events, large-scale emergency events, or simply having a key employee move away.

To minimize disruption to your business, it may be necessary to have your staff work remotely. That might include your entire workforce, or just one or two staff members who find it necessary to temporarily work from home while caring for a sick family member or child who is home due to school closings. Are you prepared for a remote workforce? Here are some things to keep in mind:

- How will you track time to ensure your employees are being productive while working remotely? Payroll Vault offers a variety of timekeeping solutions.
- Do you have "Working Remotely" protocols included in your Employee Handbook? Payroll Vault partners with a top HR provider who can review and update your Handbook.
- Do you offer direct deposit, so you don't need to worry about paying your remote staff? Payroll Vault provides direct deposit as well as PayCards for those who don't have bank accounts. We will make sure your staff gets paid regardless of where they are!
- Are your computers/monitors portable or able to be moved easily? Is anti-virus software installed on all computers?
- Are home internet connections secure or do you have a VPN to keep your information secure? Is the connection robust enough to handle the required bandwidth for your work?
- Can your business phones be forwarded to employees' cell or home phones?
- Do you have a communication system set up for live chats with employees? Instant office communication is productive and keeps the staff connected as a team, relieving the feeling of isolation.

Payroll Vault is your trusted advisor, helping you prepare for unforeseen events that could affect your workforce and your business. Please contact us if you don't want to go it alone!



Carol McElwain
Payroll Vault

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LAW

Estate Planning For All Ages

Statistics show that the average American waits until the latter stages of life to obtain an estate plan, and while we all hope to live long and healthy lives, many people are leaving themselves in less than ideal circumstances should tragedy strike. In fact, a staggering 78 percent of Millennials and 64 percent of Generation X do not have an estate plan, many of whom have minor children.

While the main component of a complete estate plan, a well drafted will or trust, will effectively and efficiently distribute your assets upon death, it is also a vital instrument to name guardians for minor children. Should someone pass away with minor children and without a well-drafted will appointing a guardian, a judge will decide who will fill this role. The process of appointing a guardian can be extremely difficult for children and can lead to tension and emotional turmoil.

In addition to a will or trust, it is important to have general and medical powers of attorney. A general power of attorney appoints an individual to make financial decisions on behalf of the principal. This includes paying rent or a mortgage, depositing paychecks, and paying routine bills. Further, a medical power of attorney appoints an individual to make medical decisions when the principal is incapable of doing so. Without designating an individual, loved ones will be unable to make medical decisions for the principal in urgent situations. Both powers of attorney are necessary for any legal adult since an individual's parents or spouse do not have the authority to make legal decisions for the incapacitated person. Overall, a thoughtful and thorough estate plan is necessary for every adult regardless of individual circumstances.



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TECHNOLOGY

Simple IT Lessons Learned from the COVID-19 Pandemic

The COVID-19 pandemic has forced businesses to work from home in a significant capacity. From an IT perspective, here are some thoughts that may be helpful (now or later) as you equip your business to better handle remote-work.

Cloud infrastructure and applications allow for more consistent, efficient and secure access. Businesses that made the move to cloud-based infrastructure and applications have made the "remote-work" transition much easier. Access, security and user-experience don't change because the user is remote. Businesses using on-premise servers must leverage VPN or remote desktop to access on-premise data and applications. Businesses that have migrated to web-based/cloud-based applications have had an easier time keeping business operations flowing due to the flexibility and availability of secure access along with the enhanced redundancy of the cloud architecture.

Be aware of increasing security threats. Cyber-crime is increasing during this challenging time. Bad-actors are planting malicious content behind links to "breaking news" stories and COVID-19 outbreak maps. On top of the normal barrage of phishing emails, ransomware and malware, the cyber criminals are taking advantage of users on less secure home networks and the increase in remote-access sessions. Beware of clicking untrusted links. Don't open mail from untrusted sources. Be vigilant as you operate. To help mitigate risk, ensure systems are consistently patched/updated, verify antivirus protection, use a strong email security filter and enable 2-factor authentication on critical applications and remote access.

Laptops are more expensive but provide more flexibility. This seems obvious, but the rush to work from home has uncovered the need for flexibility. Desktop PCs don't offer the same flexibility as laptops. The world is rushing to equip users with laptops. We're learning a LOT about our workforce's ability to be productive remotely. This realization will create more "work-from-home" opportunities and will change buying habits, with businesses leaning towards the laptop option long-term.

Traditional phone systems aren't providing required functionality for the remote workforce. Businesses have moved quickly to operate business remotely. One challenge has been working with on-premise phone systems. They just aren't flexible enough to effectively extend the voice network to remote workers. Businesses using cloud-based phone systems have seen huge efficiency as their platforms seamlessly combine voice, video, webconferencing, collaboration tools, chat and much more on any device at any time.

If your organization is looking to work more effectively in a remote capacity, evaluate changes in one or more of these areas above. If you need any help or guidance, the Connecting Point team is here for you.



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ARE YOU READY FOR A ZERO ENERGY FUTURE?

Zero Energy buildings have taken root across the globe and are growing in Colorado. Governor Polis is setting up for 100% renewable energy by 2040 in Colorado, Boulder is targeting a Zero Energy code by 2031, Fort Collins aims to achieve 100% renewable electricity by 2030, and Denver has a goal for all new buildings to be Zero Energy by 2035.

Beyond operational cost savings from increased energy efficiency, Zero Energy buildings have higher occupancy rates and support occupant productivity and satisfaction.

Is your building or portfolio ready?

stok's building performance specialists bring value to design, construction, and operations teams by taking an efficiency-first approach to energy, carbon, and cost savings. As an industry leader in Zero Energy with over 55 completed Zero Energy projects, we provide seamless energy guidance across all phases of the building lifecycle and project types to deliver efficient and reliable results that benefit owners, design teams, and occupants.

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Energy Audit
Energy Benchmarking



Get in touch: stok.com/contact

BRIEFCASE

BRIEFS
Biodesix promotes two to executive team

BOULDER — Lung cancer diagnostics company Biodesix Inc. promoted two employees to its executive team early in the week of March 8. The Boulder company promoted Bobbi Coffin, formerly chief marketing officer, to chief growth officer, a position in charge of future strategy, while head of corporate development Kieran O’Kane was promoted to chief commercial officer. O’Kane was in charge of Biodesix’s acquisition efforts for the past two years, including its most recent buyout of U.K.-based Oncimmune’s American assets. In a prepared statement, CEO Scott Hutton said the promotions are meant to position the company closer with health-care partners.

Ziggi’s to open Wellington location

LONGMONT and WELLINGTON — Longmont-based Ziggi’s Coffee has signed a deal to open a shop in the town of Wellington, a community that claims to be the fourth fastest growing town in Colorado according to its website. The drive-through coffee company will be the first retail outlet in a six-acre new development in the community. Known as the Boxelder Commons, the site is located off Interstate 25 at the Wellington exit, an area that sees approximately 25,000 vehicles per day. This will be the first drive-through coffee shop for the town of nearly 10,000 people. Ziggi’s began as a single coffee shop on Main Street in downtown Longmont and has expanded to 21 company and franchise locations in Colorado, Arizona and Oklahoma.

EARNINGS
Broomfield’s Aktivax wins \$24.5M contract to develop nerve agent treatment

BROOMFIELD — The U.S. Department of Defense has awarded Aktivax Inc. a \$24.5 million contract over the next five years to develop an injectable treatment for soldiers exposed to chemical weapons. The injectable treatment would carry Scopolamine, a compound used in humans to treat motion sickness, but shown in animal studies to reduce the immediate symptoms of poisoning by sarin gas and other nerve agents. The compound would require approval from federal drug regulators before it can be used as a treatment for soldiers in war zones. The deal is worth more than the company’s entire federal contract earnings since 2014. Contracting data shows Aktivax earned just over \$20.42 million from federal contracts since 2014.

CU team awarded \$2.5M grant for science education program

BOULDER — A team at the University of Colorado led by Tamara Sumner, CU’s director of the Institute of Cognitive Science and a professor in computer and cognitive science, was recently awarded a nearly \$2.5 million grant to develop programming that supports science education. The grant, to be paid over five years by the James S. McDonnell Foundation, will help the CU team build a “a model of teacher learning to support computationally rich communication in science classrooms,” according to a foundation news release. CU is one of five universities to receive a total of \$15 million in grant funding for science education.

Hex Performance completes \$5M funding round

BOULDER — Hex Performance LLC, a line of eco-friendly cleaning products for activewear fabrics that established a headquarters in Boulder last year, announced March 16 the completion of a \$5 million funding round. The round was led by Lykos Capital Partners, which, according to a news release, is described as “a women-owned growth equity firm that partners with remarkable consumer product brands.” The funding is expected to help the firm “fuel the innovation pipeline [and] add talented team members,” the release said.

EXPANSIONS
Charlotte’s Web acquires hemp brand Abacus Health

BOULDER — Charlotte’s Web Holdings Inc. (OTC:CWBHF), a local CBD product manufacturer, announced March 23 the acquisition of Canadian hemp topicals maker Abacus Health Products Inc (CSE:ABCS). The total value of the deal is more than \$68 million. Combined, the two firms accounted for \$29.1 million in sales during the third quarter of 2019. The acquisition is expected to be finalized in the second quarter of 2020.

Nanotech firm seeks tax incentives for HQ expansion

LOUISVILLE — Forge Nano Inc., a local atomic layer deposition firm, is applying for a series of economic development tax incentives from Louisville that the company hopes to use to expand its headquarters and keep operations in the city. Louisville’s City Council is set to consider the incentive package — which includes tax and fee rebates that total roughly \$185,000. Forge Nano, which employs 43 people, currently operates out of a roughly 11,000-square-foot space at 1172 W. Century Drive. The firm would like to expand

into an adjacent suite and ultimately occupy about 30,000 square feet, according to a Louisville planning memo. Building expansion and equipment purchases would reportedly result in capital investments of more than \$14 million over the next five years. The company plans to complete the expansion by June, according to planning documents.

Fort Collins church advances expansion plan

FORT COLLINS — A church in Fort Collins has moved within a final vote of launching an \$8.2 million expansion with the help of a state clean-energy financing program. With just two dissenting votes, the congregation at Foothills Unitarian Church, 1815 Yorktown Ave., on March 2 authorized Golden-based Ewers Architecture PC to complete design of the project’s first phase, and also authorized the church’s board of trustees to acquire \$1.2 million of the cost through the Colorado Commercial Property Assessed Clean Energy (C-PACE) program. Financing comes from providers of private capital at competitive rates with repayment terms up to 25 years. A final vote to break ground will be held at the church’s annual meeting on May 31.

Loveland council approves incentive deal for outdoor retailer Jax

LOVELAND — The Loveland City Council approved an incentive package March 23 for Jax Inc. that will permit the outdoor recreation and farm/ranch retailer to move to the west side of Loveland and expand operations, if it can negotiate a deal to buy the Kmart site at 2665 W. Eisenhower Blvd. The deal will provide Jax a sales tax rebate of up to \$1.5 million paid over 10 years out of incremental increases in sales tax collections. The city will not advance any money into the deal; Jax receives the rebate only if its sales perform at a level greater than \$5 million per year. The Jax plan would include renovating the existing Kmart building, creating retail pad sites that would be marketed to other companies, and attempting to capitalize on the millions of visitors who pass by the site on their way up the Big Thompson Canyon and Rocky Mountain National Park.

MERGERS & ACQUISITIONS
Ball to buy Brazilian aluminum plant

BROOMFIELD — Ball Corp. (NYSE: BLL), a Broomfield-based can manufacturer with a large aerospace division, March 12 announced plans to buy the Tubex Industria E Comercio de Embalagens Ltda., an aerosol-packaging operation near Sao Paulo, Brazil, for about \$80 million. The facility employs about 300 people. The acquisition comes about a year and a half after Ball closed a beverage packaging plant in

Cuiabá, Brazil.

Connecticut tech company acquires Captricity

BOULDER — Multinational financial technology company SS&C Technologies Holdings Inc. has acquired Captricity Inc., a California-based tech company with operations in Boulder, for an undisclosed amount. Captricity, which does business as Vidado, provides cloud-based artificial-intelligence technology and optical character recognition, which digitizes print documents. With the acquisition, SS&C, based in Windsor, Connecticut, assumes 30 full-time Captricity employees in Oakland, California; New York; and Boulder. There are three employees operating in Boulder, including Nowell Outlaw, Visado CEO.

Woodward, Hexcel’s merger takes off

FORT COLLINS — The \$6.3 billion merger of equals between Woodward Inc. (Nasdaq: WWD) and Hexcel Corp. (NYSE: HXL) is still on track, but it could end up operating in an aerospace industry grounded by the global spread of the novel coronavirus. Weeks after the two companies won clearance to merge from U.S. regulators, Woodward and Hexcel’s merger is still on track to close by the end of the third quarter this year. But while the turmoil in the larger world economy doesn’t appear likely to cause either side to abandon the tie-up, a combined Woodward-Hexcel could be seeing a dramatically different aerospace market when it debuts.

Engineering firm acquires Longmont’s Deere & Ault

LONGMONT and GLEN ALLEN, Virginia — Schnabel Engineering Inc., a Virginia-based company, has purchased Deere & Ault Consultants Inc., a Longmont and Boise, Idaho, located company that specializes in water resources, civil and geotechnical engineering. The purchase expands Schnabel’s national exposure and increases the company’s capabilities. The Longmont location will retain its Deere & Ault name but add “a Schnabel Engineering company” to it.

FoCo investment planning company expands

FORT COLLINS — Financial Planning of Fort Collins has acquired the fee-only financial planning firm Well Rounded Success, also based in Fort Collins. As part of the deal, Dan Andrews will join Financial Planning as vice president. Andrews and the Financial Planning team will continue to serve the current client base as well as expand offerings to new clients.

ON THE JOB

PAID ADVERTISING CONTENT

ARCHITECTURE FIRM

David Pfeifer | Promotion
ANDERSON MASON DALE ARCHITECTS
Anderson Mason Dale Architects (AMD) is pleased to announce that David Pfeifer, AIA has been named firm President as of January 1, 2020. As the new leader of the firm, Pfeifer will be responsible for overseeing the strategic vision and mission of the firm while providing leadership to the firm’s 60+ employees. Pfeifer brings to the role extensive experience on higher education campuses throughout the Rocky Mountain West. Pfeifer’s recent projects include the Aerospace Engineering Sciences Building for Metropolitan State University of Denver and three new buildings on the University of Colorado Denver’s Anschutz Medical Campus. Pfeifer will be taking the well-handled reins from Paul Haack, AIA. Haack has worked for AMD for 33 years and was named firm President in 2008. During his tenure

Haack served as project designer for more than 30 higher education projects. Haack applies skill, creativity, and expertise to the requirements of every project, and is regarded by all that know him as a highly respected mentor and role model. When asked about this leadership change, Haack shared, “I am so excited and optimistic about David Pfeifer’s new role as President. Our practice, along with much of the architectural landscape, continues to change and will benefit from David’s progressive leadership.” “AMD’s history goes back nearly 50 years. We have several significant initiatives – all in support of reinforcing the legacy of high-quality design projects and long-term client relationships that Paul has facilitated. I look forward to building upon this meaningful work,” said Pfeifer. AMD is based in Denver, Colorado and provides a full range of design services across the Western Mountain Region. AMD was awarded the American Institute

of Architects’ Firm Award for “a distinguished body of work” three times, most recently named “Firm of the Year” in 2017, and has received numerous local, regional and national design awards. The firm’s ethos is built on the idea that architecture has the power to heighten human well-being and illuminate our cultural values. AMD is driven by a standard of excellence which provides the highest level of service, professionalism, and design to its clients.

LAW FIRM

Matthew Chudacoff | New Hire
COAN, PAYTON & PAYNE, LLC
Coan, Payton & Payne, LLC (“CP2”) is pleased to announce that Matthew Chudacoff has joined the firm. Mr. Chudacoff’s practice focuses on general commercial litigation with an emphasis on resolving disputes related to business, real estate, natural resources, and employment matters.



MATTHEW CHUDACOFF

Mr. Chudacoff is admitted to practice law in Colorado and Wyoming, where he began his career as a commercial litigator at the Cheyenne office of a large Mountain West firm. Prior to being in private practice, Mr. Chudacoff served as law clerk to Justice Kate M. Fox of the Wyoming Supreme Court.

Mr. Chudacoff received his Juris Doctor from the University of Wyoming College of Law, where he was named the 2016 Brimmer Scholar and graduated as the top-ranked student of his class. He also was elected to the Order of the Coif and served on the Wyoming Law Review. Mr. Chudacoff is currently an adjunct professor at the University of Wyoming College of Law.

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BW REAL DEALS

Amazon plans 200K sq. ft. distribution center in Broomfield

BROOMFIELD — Local developer McWhinney Real Estate Services Inc. plans to build a new 200,000-square-foot delivery center that would be leased to Amazon Inc. (Nasdaq:AMZN) at McWhinney's Baseline development in Broomfield.

The project, preliminarily reviewed by Broomfield officials in February, has faced scrutiny from City Council and Planning and Zoning Commission members who questioned impacts on traffic, noise, housing affordability, neighborhood aesthetics and infrastructure.

Plans submitted by the developers to the city were vague about the eventual tenant of the proposed delivery hub at a nearly 54-acre site between Huron Street, W. 160th Avenue, Interstate 25 and Northwest Parkway. In fact, a representative for the company on hand at last month's project review to answer questions from Broomfield leaders introduced himself only as "John," and employee of "the tenant." It was only when asked directly by Broomfield City Councilwoman Guyleen Castriotta that the representative volunteered that he works for Amazon.

Amazon and McWhinney did not respond to requests by BizWest for



COURTESY CITY OF BROOMFIELD

A conceptual drawing shows the exterior of the proposed Amazon delivery center in Broomfield.

additional information about the project.

Amazon maintains three fulfillment centers in the Denver metro area, with a 2.4 million-square-foot location in Thornton, a 1 million-square-foot location in Aurora, and a new 123,000-square-foot operation in Loveland's Centerra development. It also operates a software-development office at 1900 15th St. in Boulder and a 19,000-square-foot distribution center at 3550 Frontier Ave. in Boulder.

The Broomfield delivery center would be what Amazon describes as a "final-mile" facility, which serves the last stop between larger regional distribution centers such as those in Thornton and Aurora and the drivers who deliver packages to customers.

The facility will operate 24-hours per day with about 300 workers inside sorting packages and several hundred more drivers cycling through to load trucks and vans.

However, Broomfield leaders also questioned whether the city needs hundreds of new jobs that only pay \$15 to \$18 per hour, particularly given ongoing struggles with housing affordability in the area.

"I'm having a hard time with how close residents are to this 24-hour facility," Councilwoman Sharon Tessier said, referencing homes built as close as 800 feet from the delivery center. "And I'm having a difficult time with whether Broomfield actually needs this. That area needs a break from 24-7 noise and traffic."

Denver developer plans 14-acre, two-building industrial site west of The Ranch

LOVELAND — The real estate developer behind 13 buildings in Louisville's Colorado Technology Center campus has closed the sale of a 14-acre parcel of land directly across from The Ranch in Loveland, with plans to build just over 195,000 square feet of industrial space.

Derek Conn, executive vice president and partner at Denver-based Etkin Johnson, told BizWest the deal to purchase the property closed February 28 and cost approximately \$3.4 million.

The property, to be dubbed Axis 25, is just north of the Harley-Davidson dealership near the interchange between I-25 and Crossroads Boulevard. It would also fit within the larger plans of The Brands at The Ranch, a massive entertainment district surrounding Larimer County's convention complex proposed by Windsor developer and Colorado Eagles owner Martin Lind.

Etkin Johnson filed an application to build Axis 25 with Loveland city planners last fall, which calls for the two buildings to range at 100,722



COURTESY ETKIN JOHNSON

A rendering of one of the two proposed industrial buildings as part of the Axis 25 development near I-25 across from The Ranch. Denver-based Etkin Johnson said it closed on the 14-acre property in March.

square feet and 95,256 square feet respectively. Planner Troy Bliss said the project has received land use approval, but has yet to apply for building permits.

Conn said the buildings are flexible in what types of industry sector it can hold, and could be divided into multi-tenant buildings depending on demand. However, he expects future tenants likely wouldn't ask to subdivide the space to less than 40,000 square feet or so.

Axis 25 would be Etkin Johnson's

first project in Loveland, but Conn said the company is targeting a few more properties in the area as the interchange develops into a de-facto gateway to Northern Colorado.

"We think there's a lot of runway in that sub-market and continue to look for good sites," he said, adding that the company's portfolio extends out from only industrial development.

Conn expects to break ground on the site by the end of the second quarter this year and finish construction within nine to 10 months.

PROPERTYLINE

Crescent buys additional office space in Flatiron Park for \$16.25M

BOULDER — Crescent Real Estate LLC, a commercial property investor and development firm that owns much of the Flatiron Park business park in Boulder, purchased another building in the park in mid-March.

The firm, which owns about two dozen Flatiron Park office buildings that total nearly 1 million square feet, bought the 60,000-square-foot building at 5777 Central Ave. for \$16.25 million. Crescent used the entity GPIF 5777 Flatiron LLC for the purchase.

The seller of the 25-year-old office space, known as the Lakeshore Building, was BMC Properties LLC, an affiliate of Chrisman Commercial in Louisville.

Crescent representatives met with Boulder's Planning Board in late 2019 to review plans to demolish two aging office buildings at 2400 and 2450 Central Ave. and replace them with new offices.

The 5777 Central Ave. acquisition is unrelated to plans at 2400 and 2450 Central Ave., Crescent vice president of investments Ben Molk told BizWest in an email. The 5777 Central Ave. deal is Crescent "just reaffirming our commitment to east Boulder," he said.

AstraZeneca financial docs confirm Japanese firm could buy Boulder plant

BOULDER — The Colorado Economic Development Commission approved a series of tax incentives in February to help an unnamed company take over the vacant AstraZeneca PLC plant in Boulder.

At the time, BizWest speculated that the unnamed firm was likely Japanese contract drug maker AGC Biologics. AstraZeneca confirmed those suspicions last month. Buried nearly 200 pages into the firm's recently released annual report is a direct reference to AGC and the Boulder plant at 5550 Airport Blvd.

The two firms "signed a letter of intent Nov. 27, 2019, to sell the facility to AGC Bio, with both parties agreeing to close the transaction before the end of first quarter 2020," the annual report exhibit said. The sales price is expected to be about \$70 million.

Neither AstraZeneca nor AGC responded to BizWest's requests for additional details, but information provided in February to the Colorado Economic Development Commission sheds some light on the project.

The state approved \$6,404,990 in performance-based job growth incentive tax credits over an eight-year period and \$75,000 in performance-based strategic fund cash incentives over a five-year period. Should AGC accept the incentives, it pledges to create 280 new jobs that pay an average annual wage of \$96,253. Overall, the firm has indicated its local investment would total about \$100 million.

The 2019 closure of AstraZeneca's plants in Boulder and in Longmont at 4000 Nelson Road resulted in the loss of more than 200 jobs.

AstraZeneca took over the Boulder County facilities from pharmaceutical maker Amgen in 2015 and 2016. The Longmont facility was bought last year by Swiss biologics firm AveXis, a Novartis company. AveXis will make Zolgensma, a one-time therapy for young children with spinal muscular atrophy, at that plant.

Tracking key data through economic recessions

	1980	1990	2001	2008	2020*
Jobless Claims Peak	637,000	499,000	517,000	665,000	2,000,000 - 3,000,000*
Unemployment Rate Peak	10.80%	7.80%	6.30%	10%	8 - 15%*
GDP Change	-8.00%	-3.60%	-1.70%	-8.40%	-7.0 / -15.0%*
U.S. Median Home Sale Price	\$69,200	\$117,000	\$179,000	\$233,900	\$348,200

*Economist Projected

Source: Baun Business Communications

Safe at home: Expanding the meaning of shelter

“Make yourself at home.”

As long as any of us can recall, we’ve expressed some form of that old saying to put visitors at ease — to help them feel comfortable in their surroundings. I bring this up because I’ve been thinking about the notion of home and what it means in the context of our new reality.



RESIDENTIAL
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At no time in modern history has the importance of the place we call home been more pronounced than it is today.

As human beings, we require three essentials to sustain us: food, clothing and shelter. For many of us, these are the very basics that we take for granted — things that are just constantly part of our daily routine.

We awake, we nourish our body with food and water, and we step out the door of the place we call home to take on the world.

Until we can’t. Like today.

Home might be the house or condo you own, the apartment you rent, or a dorm room at school. For some, it’s any shelter you can find. We must understand that for many, this is not guaranteed.

Most of us are extremely fortunate; and as we contend with these challenging times the importance of the place we call home becomes even more significant. Home is where we are being advised to hunker down to protect our species, our families, and our futures. Home is the place where we have control, and where we can find sanctuary from the uncertainty of what’s happening in the world

outside.

The way many of us define home will be forever changed by this pandemic. If you’re a homeowner, you’ve placed your hard-earned money into this safe haven; and for many of you right now, that investment might just be a saving grace for your life, your health, and the well-being of those in your families and their financial future. As economic uncertainty swirls around jobs, as entire industries are disrupted, and as financial markets face unprecedented volatility, our homes will be what pulls us out to brighter days.

Consider that currently in the United States, homeowners hold \$6.3 trillion in equity that can be tapped.

That equity represents a source of funds that will pull many businesses,

jobs, families and individuals out of the depths of this unforeseen and unimaginable event. While real estate decisions might have been what caused our last financial crisis in this country, I believe it will serve as the salvation from

this one.

There’s no telling how the broader economy will respond in coming weeks and months — and any economist who claims to know what’s around the corner should be approached with caution. But we can be confident that the desire for home ownership in this country will continue.

As we’ve been reminded of in recent weeks, “There’s no place like home.” Our home is our foundation. It’s the refuge where we are protecting ourselves. More than ever, we all should be eternally grateful to have a place to call home.

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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BW STARTUPS

VitriVax improves on vaccine shelf life, portability

By Ali C.M. Watkins

awatkins@bizwest.com

BOULDER — Theodore Randolph, professor at the University of Colorado Boulder, has spent a quarter-of-a-decade formulating and stabilizing vaccines and therapeutic proteins. He joined forces with another educator, Robert Garcea, to form a cost and time-cutting solution to the vaccine world.

Randolph, who teaches in CU Boulder's Department of Chemical and Biological Engineering and co-director of the Center for Pharmaceutical Biotechnology, and Garcea, who's in the Department of Molecular, Cellular and Developmental Biology, formed VitriVax Inc.

Though research took place over the better part of a decade, the company reached commercialization in 2018. It services other vaccine developers by taking an injectable vaccine and making it thermostable, up to 70 degrees Celsius, or 158 degrees Fahrenheit. This means the vaccines can be stored without refrigeration and could benefit developing regions. The shelf-life is greatly improved. VitriVax also combines multiple doses of a vaccine into a single injection with a boost and prime coat. The platform is broadly applicable to a number of antigens and adjuvants.

Garcea and Randolph's research is housed on campus through funding from the Bill and Melinda Gates Foundation, National Institute of Health and state funding. Those funds go toward the academic lab and not into the commercialization of VitriVax.

Randolph began developing vaccinations with longer shelf lives after the 2001 anthrax attacks. Shortly after the Sept. 11 terrorist attacks, letters laced with anthrax appeared in U.S. mail, resulting in five citizens killed and 17 sickened.

Randolph's research team knew that while bioterrorism attacks are not currently imminent and an anthrax vaccine isn't given to many people, a large amount of vaccines need to be stored in case of a future event.

"As soon as there's an unfortunate event in some bioterrorism attack, it's at that point you'd want to vaccinate 200 million people by next Wednesday," Randolph said. "And basically that realization that you'd have to stockpile vaccines and store them for a long time coupled with the idea that there's not even enough refrigerator space in the country to store that many vaccines, really brought to the



COURTESY MATTHEW RAIDER ON BEHALF OF VITRIVAX INC.

Theodore Randolph, co-founder and CTO of VitriVax Inc., has studied thermostabilization for more than 20 years. He formed VitriVax with fellow University of Colorado Boulder professor Robert Garcia.



COURTESY MATTHEW RAIDER ON BEHALF OF VITRIVAX INC.

Matthew Raider is the CEO of VitriVax Inc., a bioscience company that partners with vaccine manufacturers, applying its thermostabilization and prime-and-boost-in-one technology.

forefront this idea that we had to do thermal stabilization."

Much of Garcea's individual research has surrounded next-generation HPV vaccines, which he's studied for more than 20 years. The professors' research used various HPV antigens in their initial research and found that its one-dose version performed better, said Matthew Raider, VitriVax CEO.

"We all moved into the same building, and I got talking to Bob about some of his work on HPV vaccines and these have a lot of the same challenges that the bioterrorism vaccines had: The vaccine has to be maintained at from two to four degrees centigrade; the vaccine is given in three doses, sometimes in two doses; it's

expensive," Randolph said. "All kinds of things that make it very difficult to get it out rapidly to its intended population."

He added that in developing countries, maintaining vaccinations at extreme temperatures and accessing a costly shot more than once is a challenge.

"The ability to give a single shot ... is probably not only cost effective in the developed world, but it's absolutely essential for less developed areas of the world where you may only see them [the patient] once and then they're gone," Garcea said.

Garcea said that multiple visits to a doctor are not the only factors that are expensive but also the materials themselves such as syringes and needles.

Garcea and Randolph continue to apply their research to other vaccine projects. One company, Soligenix Inc., a licensee of VitriVax's thermostability technology, entered phase one clinical trial for a ricin vaccine in December 2019. Most partners are still under non-disclosure agreements. So far, the two researchers successfully applied VitriVax technologies to 12 different antigens and viruses.

"I think that, first of all, that vaccines are a remarkable advance in medicine, and it's the greatest thing you can imagine to be able to be given a shot or two and avoid getting the disease," Randolph said. "There's a real limitation in much of the current stuff out there — that they are not very stable, they require multiple doses — and the extent of this technology addresses two of those big problems. I think it's pretty exciting."

STARTINGLINE

Magnifi hires new executive chairman

BOULDER — Magnifi, a Boulder-based investment search platform, has hired former Charles Schwab CEO David Pottruck as the firm's new executive co-chairman.

"For my entire career, I've been focused on transformational businesses that use technology to help investors achieve better outcomes," Pottruck in a prepared statement. "Magnifi is exciting in many of the same ways that Charles Schwab was exciting when I joined in the mid-1980s."

Pottruck's new job will be to "identify, structure and execute on strategic partnerships as we scale," Magnifi CEO Vinay Nair said in a statement.

TextUs secures \$5M in funding

BOULDER — A Boulder text message tech company has secured \$5 million in Round B funding. Text Us Inc., which does business as TextUs, professionally texts clients, streamlines business analytics and provides short message and multimedia messaging services for professional teams. The software company plans to file a U.S. Securities and Exchange Commission Form D for \$2 million equity from the funding round, according to Andrew Kimmell, TextUs chief marketing officer and co-founder. He added that all funding comes from angel investors. "We'll invest the capital in expanding our voice and text products, cementing our market leadership in the staffing sector, growing our team and keeping our customers happy," the TextUs team wrote in a blogpost on Feb. 7. With the raised funds, the company will expand its newest products: TextUs Voice, TextUs Click-to-Call and TextUs Automation, which are all part of its Real-Time Communication Platform.

SBA to fund training for women entrepreneurs

The U.S. Small Business Administration has unveiled \$300,000 in funding available to nonprofits, state and local agencies, and institutions of higher education that provide entrepreneurship training to women service members, women veterans and women military spouses. Up to six organizations will receive the grants administered by SBA's Office of Veterans Business Development to participate in the Women Veteran Entrepreneurship Training Program. The funds will help cover costs of educating women service members and veterans, as well as women military spouses who are interested in starting or currently own a small business.

Real estate in the time of COVID-19

At the start of the year, I read an article about the 10 biggest threats to the global economy in 2020, written by a prestigious international organization. “Global pandemic” did not make the list, which goes to show how generally lousy we humans are at accurately predicting the future. As such, any predictions that I (or anyone else) could give you about how this pandemic will unfold, in terms of its impact on the local real estate market, would likely fare no better than random chance. Similarly, with the situation evolving so rapidly, any advice or best practices I could offer today may become obsolete in short order.

So, rather than peddle advice and predictions, let’s pause and take stock.

Nationally:

Back in 2008, the financial crisis was sparked in the real estate sector and led to a crisis that nearly collapsed the banking system. We see from history that recessions that begin in the housing sector tend to be worse and last longer than recessions ignited by other factors. Today, the recession we are likely heading into has a very different background — our economy and housing market were far stronger and more resilient, thanks in part to the measures put in place after that recession (tighter lending restrictions, more stringent liquidity requirements for banks, etc.). In fact, we were enjoying the longest economic expansion since WWII.

According to National Association of Realtors chief economist Dr. Lawrence Yun, “Conditions today are very different than the last boom/bust cycle. In 2004, we had a huge oversupply of new homes. In 2019, we still had a huge undersupply of new homes. In fact, we haven’t been building enough new homes to keep up with demand in over a decade. During the last downturn, there was the subprime factor and the variable interest rate

mortgages and virtually no subprime mortgages.”

Colorado and Boulder County outperform the nation:

Colorado is well-positioned as a top economy nationally. Real GDP growth in Colorado ranked seventh in the nation year-over-year, and the state’s five-year average ranks fifth, according to economist Rich Wobbekind with CU-Boulder’s Leeds School of Business. Wobbekind says that Boulder County’s economy has been outgrowing the state economy, and is uniquely able to weather a recession. Boulder County’s economic vitality is fueled by a highly educated workforce and diverse ecosystem of industries including government research facilities, aerospace, biotechnology, cleantech, and information technology — industries that endure in the long term.

Boulder ranks number one in the nation for home value stability and growth for the fifth consecutive year, according to SmartAsset. As discussed in our recently published real estate report, based on our extensive data and market anal-

ysis, we have had a healthy housing market through 2019. Even through the grim days of the Great Recession, home prices in Boulder County declined only by 5 percent and recovered quickly post-recession. If you held onto your home for at least six years, there is no period when you would have lost money on your investment here.

Summing up

While past performance is no guarantee of future results, the real estate market in our area has a history of weathering recent recessions better than other places and recovering more quickly after the storm has passed. Given everything that is going on, I still believe that owning property in Boulder Valley is and will continue to be an excellent investment.

Be well and do what you can to flatten the curve. Stay home.

Jay Kalinski is broker/owner of Re/Max of Boulder.



**BOULDER VALLEY
REAL ESTATE**
JAY KALINSKI

“Boulder ranks number one in the nation for home value stability and growth for the fifth consecutive year, according to SmartAsset.”

Working through COVID-19 economic fallout

Only time will tell whether the novel coronavirus (COVID-19) pandemic was actually a huge health crisis or something more akin to a bad flu season. Regardless, state and local government officials are treating it like the former, meaning you’ll need to hustle to keep your company afloat.

There are some things you can do.

The U.S. Small Business Administration’s Economic Injury Disaster Loans offer up to \$2 million in assistance for a small business. The SBA is offering states low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the coronavirus.

The loans are available to small businesses and private, non-profit organizations to help alleviate economic injury caused by the coronavirus.

According to the SBA the “loans may be used to pay fixed debts, payroll, accounts payable and other bills that can’t be paid because of the disaster’s impact. The interest rate is 3.75 percent for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible.”

To keep payments low, repayments can be made to a maximum of 30 years with terms determined on a case-by-case basis.

The eligibility criteria for this kind of loan is much more relaxed than for conventional loans, so don’t assume you are not eligible.

To apply, go to <https://disasterloan.sba.gov/ela>. The system is overloaded so you’ll need to be persistent. Remember to save every page by clicking save at the bottom and make sure to indicate this is COVID-19 related. Also remember to save your password or you will have to start all over.

For guidance on how to do this correctly, contact the Small Business Development Center in your area.

This will be resolved by the time you read this, but as I write at deadline the Congress is finalizing a \$2 trillion coronavirus stimulus bill. Roughly, it will be divided

up this way: \$130 billion for hospitals, \$150 billion for state and local governments, \$350 billion for small businesses, some amount for unemployment insurance, and \$1,200 for adults and \$500 per child.

Some of the area communities have put small business relief funds in place. They are not large but worth at least exploring by checking with your local government.

A few others to consider:

- Focus on what you can control. Assess the situation and develop a set of options and actions. It’s very easy to get distracted by stuff you cannot control.

- Touch base with your lender. They do not want you to fail and take a big loss. You will hear flexibility and forbearance from most of them and a willingness to work through options.

- Touch base with your landlord. Same thing as with lenders.

- Document what is happening financially to your business or nonprofit. This will be very important when the monies start to flow as explained above. You’ll need to be

able to explain how this crisis has financially damaged your business.

- Keep perspective and keep your faith that things will get better. They always have. From a column by Jason Zweig in the March 24, 2020, edition of the Wall Street Journal: “Rather than try to figure out exactly how bad this crisis will be, look at the broader set of historical precedents. Since 1929, the S&P 500 has suffered 14 bear markets, defined by S&P Dow Jones Indices as losses of at least 20 percent. The shortest and shallowest was the 20 percent drop that lasted less than three months in late 1990. The deepest was the 86.2 percent collapse from September 1929 to June 1932; the longest, the 60 percent plunge from March 1937 to April 1942. On average, bear markets lasted 19 months and dealt a 39 percent loss.”

As the saying goes “The only way out is through.” Nothing else we can do at the moment.

David May is the president and CEO of the Fort Collins Area Chamber of Commerce. Reach him at dmay@fcchamber.org.

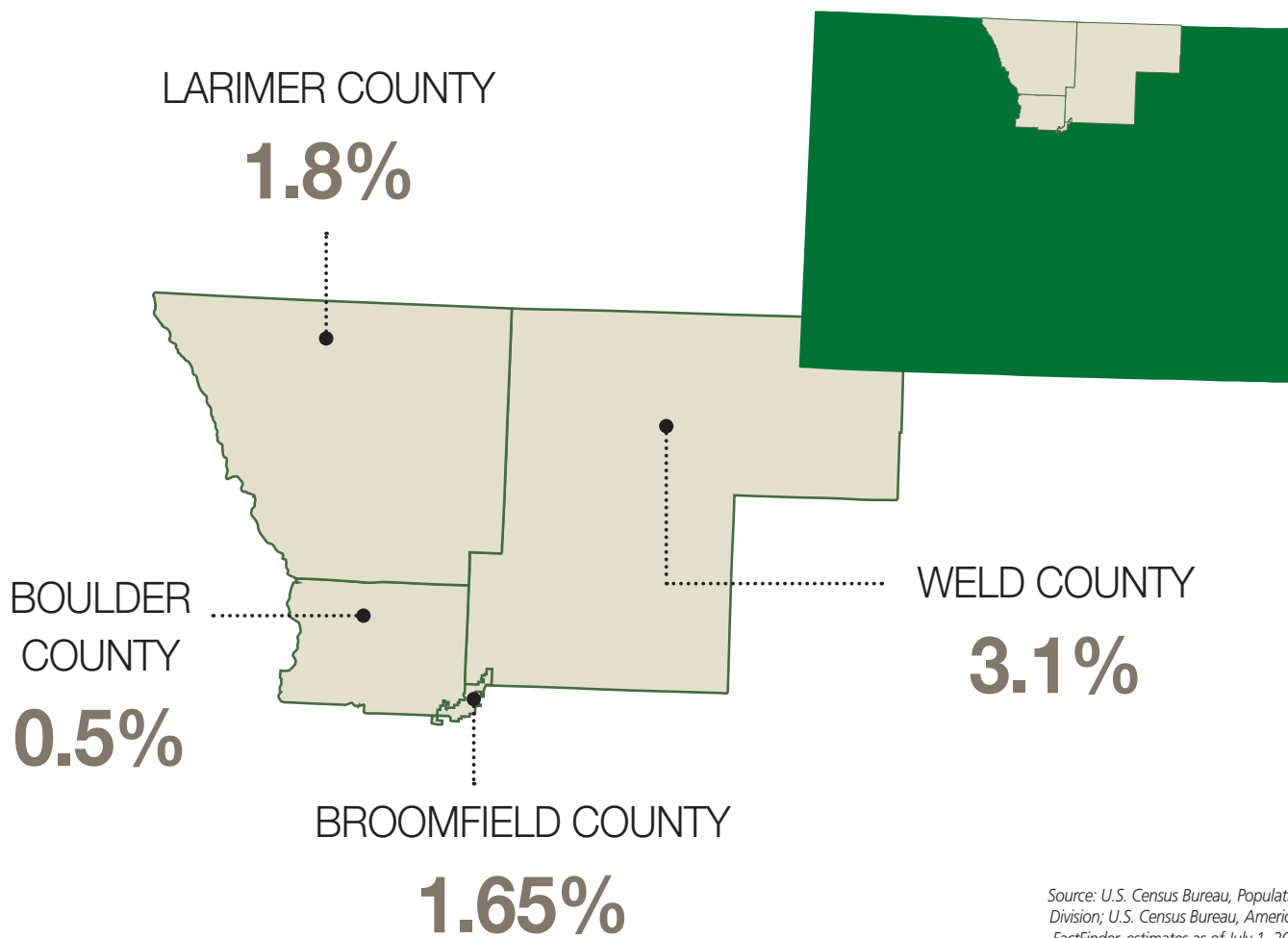


**FORT COLLINS
VOICE**
DAVID MAY

“The U.S. Small Business Administration’s Economic Injury Disaster Loans offer up to \$2 million in assistance for a small business.”

BW ECONOWATCH

Population - 1-year growth percentage



Source: U.S. Census Bureau, Population Division; U.S. Census Bureau, American FactFinder, estimates as of July 1, 2018

Greeley MSA ranks No. 3 nationwide for one-year population growth

By Christopher Wood
cwood@bizwest.com

As the U.S. Census Bureau ramps up the 2020 federal census, data released in late March 2020 reveals that the Greeley metropolitan statistical area ranked as the No. 3 fastest-growing nationwide from July 1, 2018, to July 1, 2019, and the No. 6 fastest-growing MSA in the country in the nine years from the 2010 census to the 2019 estimate.

The Greeley MSA — encompassing all of Weld County — saw population increase from 252,827 in 2010 to 324,492 as of July 1, 2019, an increase of 28.3 percent. Its population increased from 314,815 to 324,492 from 2018 to 2019, or 3.1 percent.

Greeley's growth since the 2010 census ranks behind only The Villages, Florida, up 41.7 percent; Myrtle Beach-Conway-North Myrtle Beach,

South Carolina-North Carolina, up 32 percent; Austin-Round Rock-Georgetown, Texas, up 29.8 percent; Midland, Texas, up 28.9 percent; and St. George, Utah, up 28.6 percent.

Its one-year growth is behind only St. George, Utah, (No. 1) and Myrtle Beach-Conway-North Myrtle Beach, South Carolina-North Carolina (No. 2).

The Fort Collins-Loveland MSA — encompassing Larimer County — ranked No. 32 for one-year growth, with population increasing from 350,660 to 356,899, an increase of 1.8 percent. The Boulder MSA — encompassing Boulder County — grew by just 0.5 percent, ranking No. 171 nationwide.

The Census Bureau compares both MSAs and counties in terms of population growth. Compared with other counties, Weld ranked No. 30 nationwide for growth since 2010

and No. 43 nationwide for one-year growth. Weld County ranked No. 2 in Colorado for one-year percentage growth — behind Lake County.

Boulder County's population increased from 294,567 in 2010 to 326,196 in 2019, up 10.7 percent. Boulder County ranked No. 39 statewide for one-year growth, with population increasing from 324,636 to 326,196, up 0.5 percent.

Broomfield increased from 55,889 residents in 2010 to 70,465, an increase of 26.1 percent, ranking No. 41 nationwide in percentage growth. Broomfield ranked No. 15 for one-year growth in Colorado, with population increasing from 69,324 in 2018.

Larimer increased from 299,630 to 356,899 since 2010, up 19.1 percent. Larimer County ranked No. 10 in Colorado over the one-year period, with population increasing from 350,660.

THE TICKER

Walmart to hire 150,000 workers

BENTONVILLE, Arkansas — Walmart Inc. (NYSE: WMT) said last month that it will hire 150,000 workers for its stores, clubs, distribution centers and warehouses in response to increased demand during the coronavirus outbreak.

The hiring will take place through the end of May.

"These roles will be temporary at first, but many will convert to permanent roles over time," according to the company's announcement. "We've reached out to industry groups representing restaurants and hospitality to facilitate temporary roles that can be a bridge for their employees during this difficult time."

Walmart also announced that it would provide \$365 million in special cash bonuses for hourly employees, including \$300 for full-time employees and \$150 for part-time workers. The bonus will apply to every hourly worker employed as of March 1, and will be paid April 2.

The company said it would also accelerate its next scheduled quarterly bonus for store, club and supply-chain by one month, paying employees as if the company had achieved its first-quarter plan. The early payout will amount to \$180 million.

Emergency SBA loans now available to business

DENVER — Small businesses in Colorado can now apply for an emergency loan program activated to combat the economic impacts of the coronavirus outbreak.

Gov. Jared Polis announced the approval of Colorado's application to participate in the Small Business Administration's Economic Injury Disaster Loan program, which gives business owners the opportunity to seek low-interest loans up to \$2 million. The announcement came Thursday afternoon, just hours after Colorado's economic-development leaders met to discuss additional tools the state could implement to help affected companies.

"The economic impact of COVID-19 has been felt across our state. We are committed to protecting public health and safety and will continue fighting to ensure the pain that Colorado's small businesses are feeling is limited," Polis said in a statement. "This critical designation allows small businesses in all 64 Colorado counties to seek federal recovery loans that can help them through this challenging time."

While these loans can be a crucial lifeline for some, they're not an option for all business owners, Colorado Office of Economic Development and International Trade new business support and rural prosperity director Glenn Plagens said Thursday morning during a meeting of the Colorado Economic Development Commission.

Because the program requires businesses to show a year's worth of financial data, the disaster loan program can be out of reach for newer companies.

That's where state organizations such as OEDIT can step in to assist.

"We want to make sure that whatever we are doing is filling the gaps in some of the other state and federal programs that are already in place," OEDIT executive director Betsy Markey said.

The office's Strategic Fund, which has an unencumbered balance of \$5.1 million and a reserve of \$9.5 million, could help fill some of those gaps.

Reserves can be tapped "for exceptional opportunities or contingencies during crisis," OEDIT deputy director and director of global business Jeff Kraft said.

New rules set up clean water whiplash

In the latest skirmish of a 45-year old battle, the Trump Administration released its rule defining those waters that will receive federal protection under the Clean Water Act (also known as Waters of the United States or WOTUS). The rule marks the final phase of a process designed to undo a similar effort by the Obama Administration in 2015. Certain industry sectors (particularly agriculture, mining, and development) enthusiastically welcomed the news; environmental interests not so much.



LEGAL
JOHN KOLANZ

Waters (or more aptly, aquatic resources) take many forms, from the obvious — rivers and lakes, to the less obvious — wetlands, arroyos, and groundwater. Drawing the line between resources that deserve federal protection and those that do not can be tricky.

The point of demarcation rests somewhere on a sliding scale between science and law. While scientists may see an obvious ecological connection between a protected river and a distant wetland, constitutional and other legal considerations may preclude protection of the wetland under the act.

The Obama rule skewed more to the science side of the scale. A primary drawback of that rule was its heavy reliance on a potentially complicated case-specific analysis for certain waters to determine whether they were covered.

The Trump rule focuses more on legal considerations and attempts to draw bright lines to make it easier to determine which waters are covered. (Some lines are brighter than others.) The drawback to this approach is that it can leave important aquatic resources without federal protection.

Identifying federally protected waters sets a regulatory floor. The act allows states to regulate waters not receiving federal protection, but some have laws in place to prevent them from doing so.

Businesses impacting covered waters (for example, by discharging wastewater to a river or by filling in wetlands to allow development) require permits designed to protect the resource. Obtaining and complying with these permits can be time consuming and expensive. Failure to do so has its own costs.

The new rule generally identifies the following as protected waters: (1) traditional navigable waters (e.g., Colorado River and Great Salt Lake) and the territorial seas; (2) perennial and intermittent tribu-

aries to those waters; (3) certain lakes, ponds, and impoundments; and (4) wetlands adjacent to other protected waters. The rule also specifically excludes 12 categories of waters from coverage.

While the general categories of regulated waters have not changed dramatically from previous rules, the way the new rule applies them, particularly tributaries and adjacent wetlands, will decrease the act's coverage noticeably from what it has been for decades. This change will be more pronounced in areas with numerous ephemeral streams, such as Colorado and other Southwestern states.

The rule is scheduled to take effect 60 days after its official publication (which had not yet occurred by the date this article was submitted). If it becomes effective, it will be the third such rule to apply in Colorado within the past year.

Environmental groups, which have already filed legal challenges in various courts, will ask those courts to prevent the rule from taking effect until the underlying legal matters are resolved. This may lead to a patchwork of rules across the country, as it did when regulated interests challenged the Obama rule.

Given the length of the battle, and the numerous parties preparing to fight on, one may reasonably ask whether the latest rulemaking will provide the clarity and finality coveted by regulated interests. It is, in a word, doubtful.

Even if the courts ultimately uphold the new rule, the next Democratic administration will likely reverse course with its own rule that establishes a different point along the sliding scale of what is legally and scientifically defensible. That rule will face its own judicial challenge. In addition, states that can do so may become more inclined to step into the fray with their own regulations. Clarity and finality are likely a ways off.

Eventually, opposing sides may tire of the whiplash, put away their sharp knives, and make an honest run at solving the underlying issue. The preferred route however, a legislative fix, would be a challenge to navigate given today's politics. In the meantime, those wishing to assess their regulatory obligations arising from current or future projects should proceed with caution.

John Kolanz is a partner with Otis & Bedingfield LLC in Loveland. He focuses on environmental and natural-resource law, including Clean Water Act matters and can be reached at 970-663-7300 or JKolanz@nocoattorneys.com.



BizWest photo/Dan Mika

CEO ROUNDTABLE **BW**

CEO Roundtable: NoCo's bioscience companies trying to find funding from the coasts

Guests at BizWest's CEO Northern Colorado CEO Roundtable for Life Sciences on February 24, 2020. From left to right: **Brian Heinze**, OptiEnz Sensors; **Chris Otto**, Plante Moran; **Kim Palmer**, Elevations Credit Union; **John Pawlikowski**, In-Situ; **Sabrina Nowling**, Flood & Peterson; **Terry Opgenorth**, CSU Ventures; **Ben Walker**, Innosphere; **Dave Frisbie**, CSU Translational Medicine Institute; **Jon Weston**, PhotonPharma; **Brett Kemp**, Plante Moran

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For more information about the CEO Roundtable contact Jeff Nuttall at 970-232-3131 or jnuttall@bizwest.com



BizWest photo/Lucas High

CEO ROUNDTABLE **BW**

Boulder area a fertile ground for clean tech, but regulatory, funding challenges remain

Participants in the BizWest Clean-Tech CEO Roundtable Tuesday in Boulder were, from left: **Ryan Lee**, Community Banks of Colorado; **Carl Lawrence**, EnergySense LLC; **Jim Cowgill**, Plante Moran; **Shelly Curtiss**, Colorado Cleantech Industries Association; **Byron Kominek**, Jack's Solar Garden; **Jared Crain**, Berg Hill Greenleaf & Ruscitti LLP; **Namit Singh**, Microgrid Labs; **Peter Lilienthal**, Homer Energy LLC; **Jason Sharpe**, Namaste Solar; **Jacques Nader**, Siemens Power Generation; **Caleb Scalf**, Hygge Power; **Loren Burnett**, e-Chromic Technologies Inc.

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plante moran

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BW COMMENTARY

Goodness of Boulder Valley, Northern Colorado shines through during virus outbreak

In September 2013, as floodwaters ravaged communities along the Front Range, the people of Colorado responded by volunteering, donating money and helping rebuild roads, other infrastructure, businesses and homes.

Individuals who were displaced by floodwaters were invited into people's homes. Businesses assisted individuals and even their own competitors.

It ranks as one of this region's finest hours.

Colorado, including the Boulder Valley and Northern Colorado, has endured many such trials: the economic uncertainty and fear after 9-11, the Great Recession of a decade ago, wildfires and many more challenges in years prior.

Through it all, the goodness of the people of this region shined through.

That's no less true during the current global pandemic, as a novel coronavirus roars through cities and towns worldwide.

Who could have imagined that communities from Boulder to Greeley, Broomfield to Fort Collins, Denver to Grand Junction would be under shelter-in-place orders, not for hours or days, but for weeks and potentially months?

Who could have imagined that gatherings large and small would be banned for an indefinite period, or that air travel would be drastically curtailed?

While examples exist of individuals seeking to take advantage of the crisis — hoarding, price gouging, failure to embrace "social distancing" — far more examples exist of individuals coming together, not physically, but in a sense of help and camaraderie.

Goodness shines through on the neighborhood networking app Next Door, where individuals make it known that they stand ready to help their elderly or at-risk neighbors, whether it be picking up groceries or prescriptions, or some other task.

Goodness is evident in the Colorado Symphony Orchestra, refusing to lose the opportunity to celebrate the 250th anniversary of Beethoven's birth by performing Ode to Joy in an online performance, with members performing individually in their own homes.

Distilleries have shifted production to produce hand sanitizer. Others are ramping up production of face shields for health-care workers. Companies in all industries are donating products to hospitals and nonprofits. Media outlets, including BizWest, have taken down their paywalls for coronavirus coverage. Grocery stores are creating special hours for the elderly and others at risk, to reduce their potential to contract the virus.

While uncertainty prevails about the duration of the pandemic, and how much our health-care system will be overwhelmed, it's clear that individuals of good will are what will get us through to the other side.

It's perhaps the greatest irony of all: A global pandemic that will be controlled by social distancing is bringing us all closer together.

Survey reveals tragedy, determination

Responses came quickly to a BizWest survey seeking to learn how local businesses were responding to the coronavirus outbreak. The survey — launched March 18 and still ongoing — brought forth the full gamut of responses and emotions that one would imagine.

Some respondents indicated that they thus far had seen little impact in terms of layoffs, while others reported widespread layoffs and reductions in business approaching or reaching 100 percent.

Many companies — like BizWest — have shifted to work-at-home solutions for their employees, but that's not a possibility for restaurants, hotels, retailers and thousands of other businesses that have been forced to shut down or scale back their operations amid quarantines and "shelter-in-place" orders from state, county or local governments.

Reading through the responses has been heartbreaking.

"We are very, very concerned," said the executive director of a local non-profit that has seen an 80 percent drop in billable sessions.

A local cooking school has furloughed 13 employees, and the owner is worried not only about paying commercial rent and other expenses related to its commercial space, but also about personal expenses, which "can be managed, with difficulty." The company has had zero business since March 14.

A Greeley-based event company is in a dire situation: "We've lost 90 percent of our clients," the owner said. "We specialize in the event industry. We probably won't be able to stay open."

A Greeley restaurant: "We have closed and are unable to pay our responsibilities," an official said, noting that 20 employees have already been laid off.



PUBLISHER'S
NOTEBOOK
CHRISTOPHER WOOD

A Boulder restaurant owner, noting that the business has been affected "in every way," said, "We decided to close the doors completely for the next 30 days. The staff is filing for unemployment. We laid off 100 percent of our team, 45 employees. Hardest thing I've ever had to do."

A Fort Collins dental office has laid off all 11 employees, with plans to reopen in early April questionable as shutdowns are likely to continue.

The Boulder Valley and Northern Colorado have seen their share of downturns in recent decades, from the dot-com bust to 9-11 to the Great Recession. But I've never seen anything like the rapid economic decline of the past several weeks.

Prior recessions have been felt through the economy, but nothing as deep as this, with entire industries — including the retail and services sectors — forced to shut down entirely or scale back dramatically.

Measures at the federal level should provide some relief for struggling industries and small businesses, but it remains to be seen whether those actions will be enough to help the tens of thousands of individuals in Colorado alone who have already been furloughed or laid off, not to mention the millions nationwide.

Small-business owners in particular will find their mettle tested in a myriad of ways. Can a restaurant survive on takeout and delivery alone? Will a salon, barbershop, dental office or travel agency be able to weather weeks or perhaps months without income?

And while responses to our survey have been heartbreaking, they're also heartwarming, with many respondents voicing determination to get past this and emerge stronger on the other side of quarantines and shelter-in-place orders.

As one respondent noted, "It will be quite a ride."

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

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VOLUME 39, ISSUE 5

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Coronavirus: Working with fear, uncertainty

The last few weeks have been tumultuous. The coronavirus has injected uncertainty into markets, into all business transactions and into the way we live our lives. Many people, including ourselves and our employees, may be experiencing fear. Instead of being productive we may find ourselves compulsively watching the news, staring into space or having dire thoughts about the future. In addition, many people have lost their jobs or are working from home and may be feeling isolated. How can we understand our fear and learn to work with it?



**MINDFUL
BUSINESS**
SUSAN SKJEI

The neuroscience of fear

Let's start by looking at how our brains and our bodies react to threatening situations. At this moment, we are all likely concerned about the pandemic and its impact on the global economic crisis, as well as the health risks for loved ones and ourselves. Regardless of the specific

concern, our brains go into high gear, sending transmitters to the body to mobilize in response to the perceived danger. Our bodies are flooded with adrenaline, norepinephrine and cortisol, all chemicals that raise our heart rates and blood pressure and prepare us to fight or take flight in response to the threat. This heightened response is certainly helpful in an emergency. But when it continues unabated for prolonged periods of time it can lead to stress. Over time, increased heart rate and higher blood pressure take their toll on our bodies and, if not addressed, stress can contribute to hypervigilance, heightened anxiety and a host of other mental and physical symptoms.

How to calm an anxious brain

Of course, threats will always be with us in some form or another and we want to be able to meet them with the appropriate level of mobilization. However, in order to promote long-term health and resilience we can learn to manage our fear and stress. In addition to eating healthy foods and getting enough sleep and exercise, we can gradually begin to train our brains to respond creatively to situations rather than reacting with more

"How can we understand our fear and learn to work with it?"

stress. Here are some suggestions:

Gratitude: Neuroscientists have discovered that focusing on what we value and appreciate in our lives reduces our cortisol levels and reduces stress. Since our brain is simply trying to protect us, we can start by thanking it for working overtime on our behalf. We can also appreciate the many people in our lives who have provided us with love and support.

Connection: Friends and social interactions also have been found to play an important role in maintaining a healthy outlook on life. Although we are all practicing social distancing there are still many ways to connect. We can ask ourselves, "How can I get in touch with people who might be able to help me with emotional support as well as with good advice? Can I reach out and help someone else?" Many studies have shown that those who help others in a crisis experience reduced

stress symptoms afterward.

Mindfulness: Another way to manage our personal stress is mindfulness. Mindfulness is the practice of intentionally bringing one's attention to the experience of the present moment, with a non-judgmental attitude. How does this help? When we shift our attention from fearful or obsessive thoughts to the actual experience of the body breathing, we begin to calm the nervous system. Specifically, when we bring our attention to the breath we can let thoughts dissipate with the outbreath. With each breath we are opening up our "closed loop" thinking and allowing new possibilities to emerge. We may find new and creative solutions where previously none seemed to exist. However, the purpose of mindfulness is primarily to give our brains and bodies an opportunity to relax the stress response and to come back to equilibrium and resilience. Our friends, family and employees will thank us!

Susan Skjei, Ph.D., is director of the Authentic Leadership Center at Naropa University and author of the online course Mindful at Work. Sskjei@naropa.edu.

COVID-19 crisis: Accept the grief

In an era when information flows freely across the airwaves, one of our jobs at the Boulder Chamber is to help synthesize and prioritize that information so it's useful to the businesses we serve and to help them make strategic decisions. The assault of COVID-19 has severely tested our capacity to know all that's important to share and when is too much, but regardless, I hope what I offer here provides unique value. That's because it isn't really about your business, it's about you . . .



**BOULDER'S
BUSINESS CENTER**
JOHN TAYER

A friend of mine shared a Harvard Business Review article with me the other day, "That Discomfort You're Feeling Is Grief." It sat in my marked folder for a couple of days until I finally had a spare second to give it a scan. Wow, it really hit home!

In the opening line of the article, set as an interview with the "the world's foremost expert on grief," David Kessler, he posits that we're all feeling a number of different griefs as we wrestle with the impacts of COVID-19. "We feel the world has changed, and it has. We know this is temporary, but it doesn't feel that way, and we realize things will be different."

Throw into the mix what Kessler describes as "anticipatory grief." In broad terms, it's "[t]he loss of normalcy; the fear of economic toll; the loss of connection," let alone other personal and family impacts. Compound this with other future-looking pieces I've read with respect to the economic shifts that will occur in the wake of COVID-19, like "We're not going back to normal" from the MIT Technology Review, and you recognize that there's a whole lot of sound reason in what you might be anticipating and the source of your grief.

In the face of these emotions, there are many directions to turn. Panic and retreat are always options, as the fright-flight instincts take hold. Denial, anger, bargaining, and sadness might also take their turn as you process the grief you're experiencing. In the end, though, these aren't sound sources of strength for a business leader who needs to pick up the pieces in the wake of COVID-19, set a clear and compelling direction for their workforce, secure the confidence of creditors, and re-generate revenue.

So what do we do with our grief over the calamity that now envelopes us? In a word, according to Kessler: "Acceptance . . . is where the power lies." Kessler tells us it's through acceptance that we acknowledge our situation and can best begin to "fig-

"There is no clear path toward acceptance. Turning on the television or answering a phone call can expose you to those who are experiencing their own stages of grief."

ure out how to proceed."

There is no clear path toward acceptance. Turning on the television or answering a phone call can expose you to those who are experiencing their own stages of grief. It's enough to bring any of us down into a deep dark immobilizing hole. When experiencing anticipatory grief, in particular, Kessler recommends "coming into the present" and to "let go of what you can't control."

Finally, Kessler suggests we "find balance" in the things we're thinking. When there's temptation to consider what can go wrong, recognize that's your grief talking and flip the switch. What's the best outcome you can envision? I know, from my own experience, I find my moments of greatest clarity when I accept the circumstances in front of me and begin to take those first steps toward

a brighter future vision.

We wrestled for a while about the idea of lighting the Boulder Star, but were compelled to move forward by periodic pleadings of local citizens. "We need a little light of inspiration and our star can do that," said one friend. Now that the Boulder Star lights up each night, I invariably receive a flurry of emails in appreciation for the mere sense of "hope" its bright light is giving to our community.

It gives me chills to write this, because I know there's a little grief in all of us these days. Yet we have a responsibility to our families, our businesses and ourselves to work our way through. Of course, we can't do it alone. That is why the Boulder Chamber, in league with all of our business support partners, is moving mountains to support our business owners and their employees through this difficult period and to build the foundation for a strong recovery.

I said this piece was about you. That doesn't mean you're alone. We're in this together, grief and all, so let's accept it and let the Boulder Star power guide our way toward an even brighter future.

John Tayer is president and CEO of the Boulder Chamber of Commerce. He can be reached at 303-442-1044, ext 110 or john.tayer@boulderchamber.com.



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Breaking GROUND

Project Updates | Ahead of the Curve | Community News | Tenant News | EJ Spotlight



Etkin Johnson Partner, Ryan Good (left) and Joe Chek (right)
of Charlotte's Web at 700 Tech Court in Louisville.

SPRING 2020

**ETKIN
JOHNSON**
REAL ESTATE PARTNERS

Key Development Updates

Louisville Corporate Campus: Louisville, CO

Colorado Technology Center



- ◆ Three-building, 400,000 SF industrial/flex campus
- ◆ 600 Tech Court: 113,288 SF nearing full construction; available for lease
- ◆ 725 Tech Court: 146,323 SF under construction
- ◆ 700 Tech Court: Charlotte's Web to move in Q2 2020

EDGE 470: Parker, CO



- ◆ Phase I: Two industrial/flex buildings totaling 159,000 SF
- ◆ Prominent E-470 tenant signage
- ◆ Ample natural light
- ◆ Q3 2020 expected delivery

FalconView: Colorado Springs, CO



- ◆ 288-unit luxury apartment community
- ◆ Phase I complete
- ◆ First three buildings fully leased
- ◆ Now leasing: livefalconview.com

Axis 25: Loveland, CO



- ◆ 14.18 acres recently acquired
- ◆ Planned two-building, 200,000 SF industrial/flex campus
- ◆ High visibility along I-25
- ◆ Breaking ground Q2 2020

AHEAD OF THE CURVE

Setting a New Standard for Industrial/Flex Development

The 2019 historic sale of our 1.95 million-square-foot Colorado Industrial Portfolio marked the beginning of a new era for Etkin Johnson - one that will build upon our 30-year legacy and reshape Colorado's commercial real estate landscape for generations to come.

With more than 1.3 million square feet of new and planned construction, we're more active than ever.

Since our founding we've been directly involved in the evolution of Colorado's industrial sector. We make a point of keeping a strong pulse on the changing needs of tenants in order to deliver new product that exceeds expectations. With industrial space in high demand in the Denver metro area, we continue to capitalize on new opportunities to bring our progressive approach to acquisition, development and property management in emerging submarkets.

600 TECH COURT

In the Northwest Corridor, construction is almost complete on 600 Tech Court, the second of our three-building Louisville Corporate Campus in the Colorado Technology Center. Offering 113,288 square feet of Class A industrial/flex space, this building is designed for growing companies looking for light manufacturing, distribution and office space under one roof. The property provides abundant natural light with 10-foot windows on three sides, overhead glass doors that create indoor/outdoor workspaces, and dozens of skylights.

AXIS 25

Vacancy rates for industrial properties in Loveland dropped from 14% to just 4% in the past year alone, according to the City of Loveland's 2019 Annual Data and Assumptions Report. We're capitalizing on that demand with a newly acquired 14.18-acre parcel along I-25, near Crossroads Boulevard. With plans to develop a two-building, 200,000-square-foot industrial/flex campus dubbed Axis 25. With high visibility along I-25 and close proximity to the Northern Colorado Regional Airport, Axis 25 will target companies seeking to be at the center of growth for Northern Colorado.

EDGE 470

As the metro area continues to grow, Southeast Denver is attracting high-caliber companies looking to take advantage of the highly educated workforce and lower cost of living. In Parker, we are currently under construction on EDGE 470, a 364,000-square-foot industrial/flex campus. Slated for completion in Q3 2020, Phase I includes the development of two buildings averaging 80,000-square-feet each on 12.8 acres. EDGE 470 is designed to give tenants a competitive edge in the market and provide some of the highest visibility and accessibility in the area.

As Etkin Johnson continues to break ground on new development across the Front Range, we are driven by our commitment to meet the evolving needs of growing companies in Colorado. Discover more about our approach at etkinjohnson.com.



Etkin Johnson Project Manager Jennifer Paddock (left) and Hope House Founder Lisa Steven (right) outside the nonprofit's residential building.

Bringing More Hope to Colorado

Etkin Johnson has been a long-time supporter of nonprofit and former tenant Hope House Colorado. The organization is the only one of its kind that offers free self-sufficiency programs to teen moms in the Denver metro area. One of their many signature programs, the Residential Program, provides a safe, stable home for teen moms and their children who are homeless or living in an unsafe environment. Jennifer Paddock, a Project Manager at Etkin Johnson, has pledged her time and professional skills to oversee the renovation of the residential building, which includes a full kitchen remodel and separate apartment for the resident manager. With the time and resources provided by the Etkin Johnson team, Hope House estimates that they will be able to serve 450 teen moms over the next three years. For information on how to support Hope House, visit hopehousecolorado.org.



Racking installation underway at 700 Tech Court in Louisville; home to Charlotte's Web.

Charlotte's Web Expands Operations in CTC

Charlotte's Web, the market leader in hemp extract products, is just months away from moving into their new 136,610-square-foot building at the Louisville Corporate Campus in the Colorado Technology Center. The new space will allow Charlotte's Web to consolidate warehousing and manufacturing, operations, and shipping and receiving all under one roof, creating a more efficient process. The facility will provide a comfortable environment for employees by incorporating bright natural light as well as ample amenities, including an 800-square-foot gym. Learn more at charlottesweb.com.



From left: Dave Klebba, Linda Chandler, Derek Conn, Barb Grogan, Ryan Good, Laura Farrar, Lindsey Gooch, Ann Steinbach, Caroline Grote

Etkin Johnson Honored at 2020 NAIOP Awards

We're pleased to share that Etkin Johnson was nominated for multiple awards at the 33rd Annual NAIOP Colorado Awards of Achievement. Partner Ryan Good received the Sherman R. Miller Trailblazer Award for his demonstrated leadership over the course of his career. Etkin Johnson's Colorado Industrial Portfolio sale was also named a finalist of the Capital Markets Transaction of the Year. Special thanks to Partner Derek Conn for his leadership in that transaction and CBRE brokers, Jim Bolt, Jeremy Ballenger, Tyler Carner and Mike Winn.

New to the Team

We're excited to introduce you to the newest members of the Etkin Johnson team!



DANA GROGAN
Office Coordinator



JENNY MURAWSKI
Assistant Asset Manager



KEZRIN ASFAR
Senior Accountant

Real Estate Report

RE/MAX OF
BOULDER



STATISTICS

TRENDS

2020 FORECAST



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A MIRACLE WITH A GREAT SMILE



Meet Olivia

This adorable Colorado four-year-old loves to ballet dance, ride her bike, and speak French with her grandparents.

She's come a long way since being born with a health condition that required her to undergo a liver transplant before her first birthday.

Children's Hospital Colorado was there for Olivia and her family every step of the way.

Doctors there diagnosed Olivia's condition, helped keep her alive and strong until she was ready for transplant surgery, located her new liver, and successfully performed

her transplant procedure. Today, her doctors provide the immunosuppressant medication that prevents her body from rejecting the transplanted liver.

Olivia is thriving. Her story is exceptional, but serious childhood illnesses touch more kids that you might think.

We are grateful to have the innovation and care of Children's Hospital Colorado in our area. It is our pride and pleasure to support Children's Colorado in advancing patient care, education, research and advocacy for families throughout the state.

RE/MAX of Boulder is proud to be a Miracle Office for Children's Hospital Colorado, donating more than **\$16,500 IN 2019**

Please join RE/MAX of Boulder in supporting Children's Hospital Colorado in 2020 at childrenscoloradofoundation.org



A LEGACY OF GREAT SERVICE

RE/MAX of Boulder's **Real Estate Report** is a trend and forecast publication now in its 7th edition. It provides a detailed look at 2019 residential real estate statistics across the Boulder Valley, including data on home prices and home sales statistics in the communities we serve. We discuss shifts in the luxury real estate category, and predict how the market may perform in 2020. Our Real Estate Report reflects data provided by the IRES Multiple Listing Service, and the views of our management team, including Managing Broker Todd Gullette.

This year, RE/MAX of Boulder celebrates 43 years of service. We were one of the first RE/MAX offices to open in the country. From our first day in

business, we embraced a spirit of community engagement, which has shaped an incredible success story. It includes helping thousands of people buy and sell local real estate. But it's also about creating connections between people, businesses, our great schools, and many non-profit organizations, all of which serve to make our communities stronger.

Today, Boulder's real estate market is ranked the most stable market in the country. In the context of other investments – stocks, bonds, funds, etc. – buying real property in the Boulder Valley rises to the top. It's a great time to make the most of the market and RE/MAX of Boulder is here to put our extensive experience to work for you.

Boulder ranks

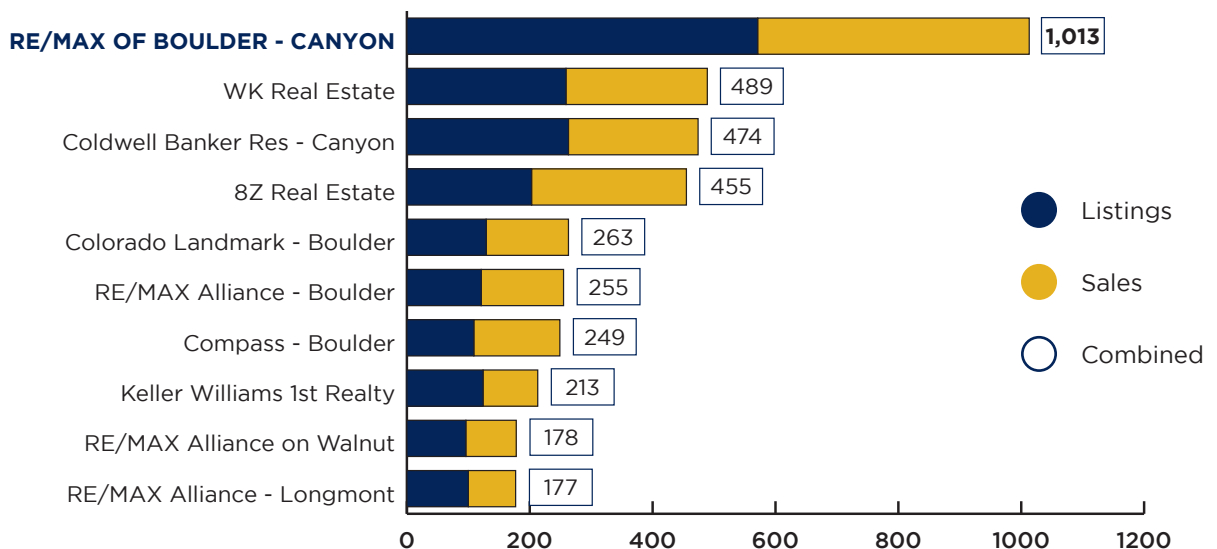
NO. 1

in the nation for home value stability and growth for the fifth consecutive year.

SmartAsset, 2019

THE DIFFERENCE IS DRAMATIC

Top 10 Residential Real Estate Offices in Boulder & Broomfield Counties



Data taken from IRES MLS, January 15, 2020 for time period January 1, 2019 - December 31, 2019.
Residential Listings Sold are Single Family and Condos/Townhomes.

A HEALTHY MARKET

Tracking our market has a lot to do with inventory, and more importantly, months of inventory. Months of inventory is the number of months required to sell everything that's currently listed.

Over the last couple of years, we have seen months of inventory increase in the spring and early summer (when most people list), then drop precipitously by year's end. In the graph here, we see that regardless of the season, months of inventory in our market consistently remain under 5 months, which qualifies as a seller's market.

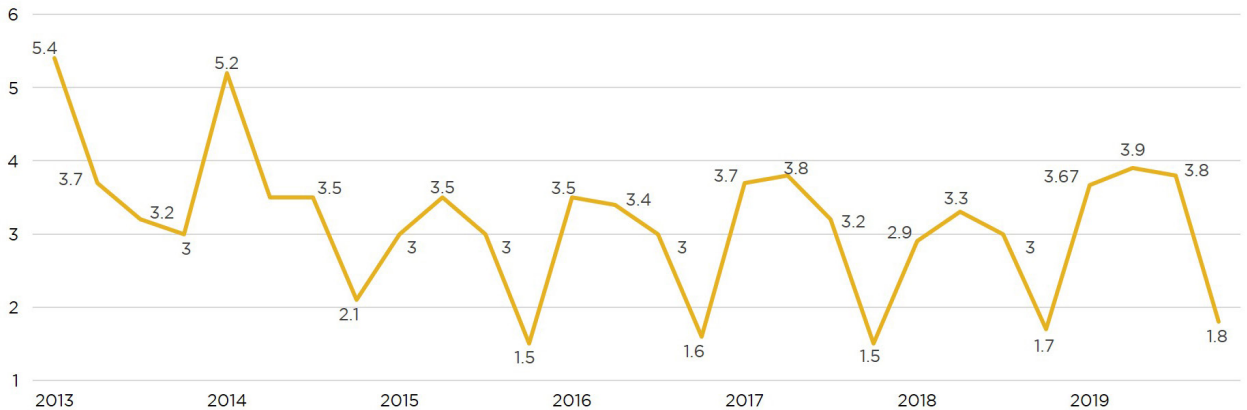
If you were to ask a buyer, seller, or real estate agent to compare what the spring and summer felt like between 2018 and 2019, you would likely hear that the market slowed down.

This estimation reflects the powerful difference between having 3.3 months of inventory in 2018 and 3.9 in July of 2019. Indeed, we saw an increase in inventory. But we also saw an increase in sales, specifically a 5.4% increase in single family home sales for 2019.

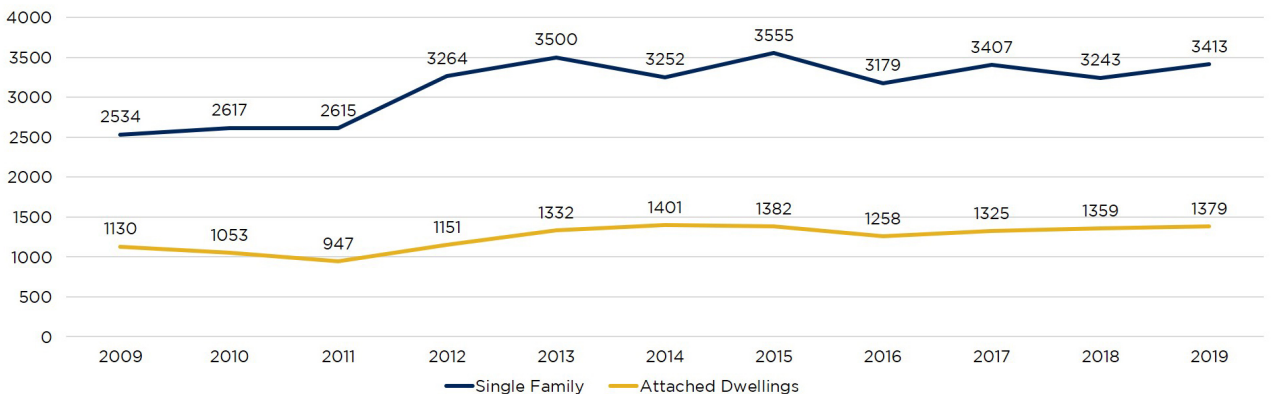
At this time in our cycle, more inventory does not indicate that homes are not selling. In fact, we saw more sales in 2019 than we did in 2014, when many more homes were available for buyers to choose from.

The increase in inventory has eased a longtime supply-vs-demand imbalance, while high demand has kept prices stable. That's a healthy market.

Months of Inventory at Each Quarter

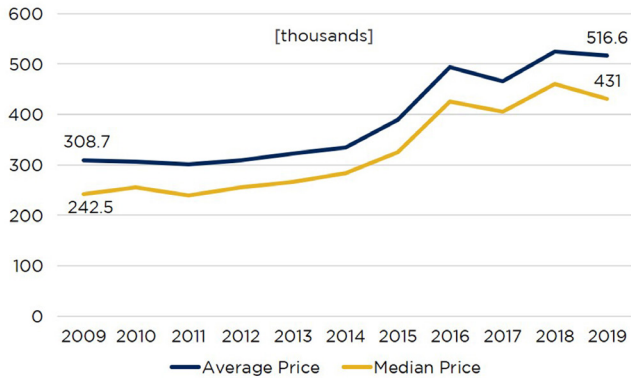


Total Number of Homes Sold Each Year



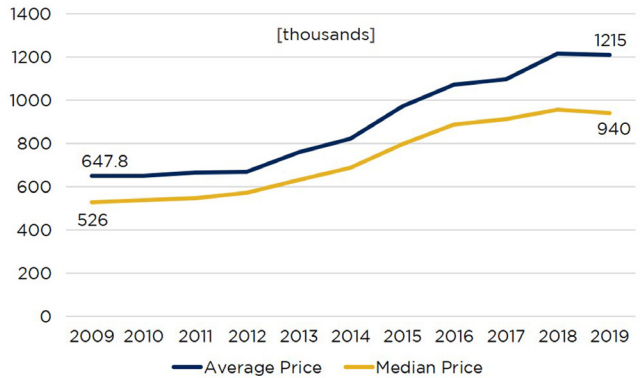
CITY OF BOULDER

Attached Dwelling Prices



Highly impacted by new construction. Listings increased 75% and the number of sales decreased 4.7%. This market heated up late and looks promising in 2020.

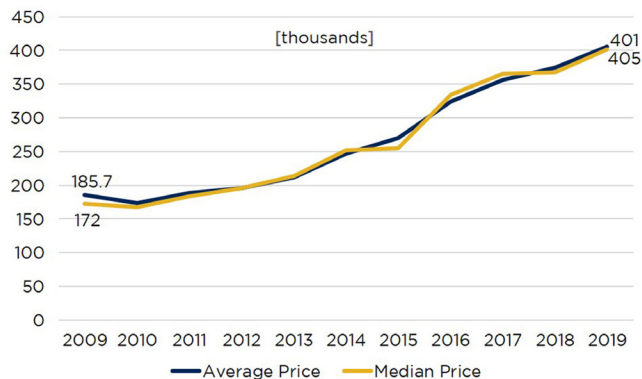
Single Family Prices



Inventory rose substantially in 2019, up 26.9% over the 4th quarter of 2018. A late rally brought sales up 5.7%. The median and average prices rose 2.3% and 2.6%.

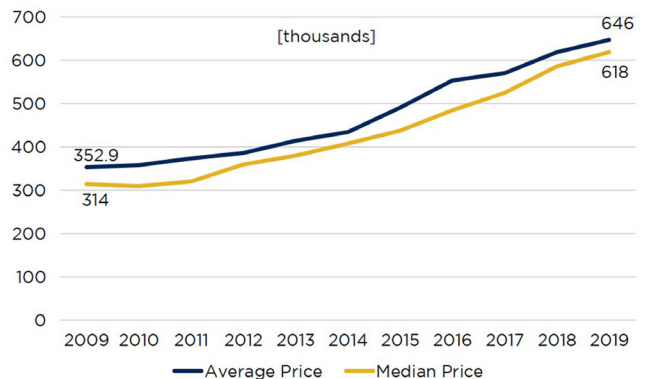
CITY OF LAFAYETTE

Attached Dwelling Prices



Recent inventory gains receded, down 3.6% (still 60% higher than 2017). Median and average prices rose 9.4% and 8.3%. The number of sales were up by 18.7%.

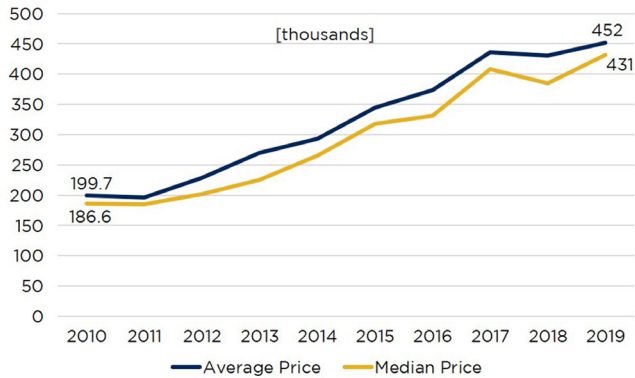
Single Family Prices



Inventory is up 6%. Median and average prices gained 3.8% and 4.6%. This market appears strong with only 2 months of available inventory.

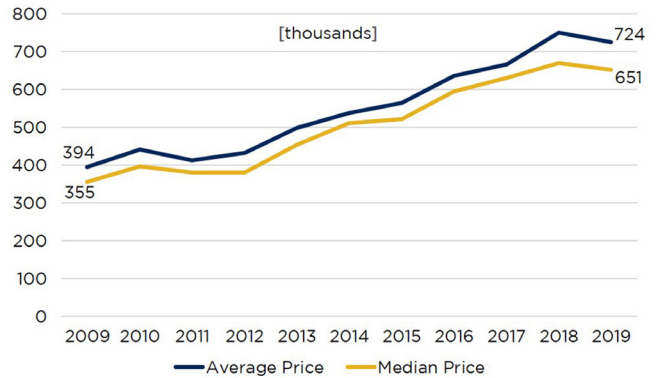
CITY OF LOUISVILLE

Attached Dwelling Prices



This strong market saw a 33% drop in inventory, a 17% increase in sales, and median and average price increases of 11.8% and 5.1%.

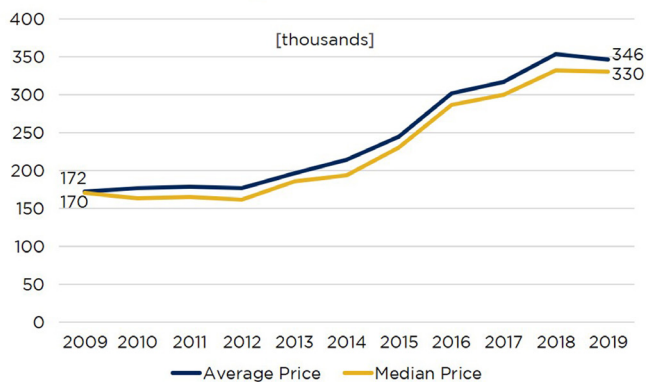
Single Family Prices



Louisville has a miniscule 1.1 months of available inventory. Sales were up 19.2%. Median and average prices both fell as a result of sales of less expensive housing product.

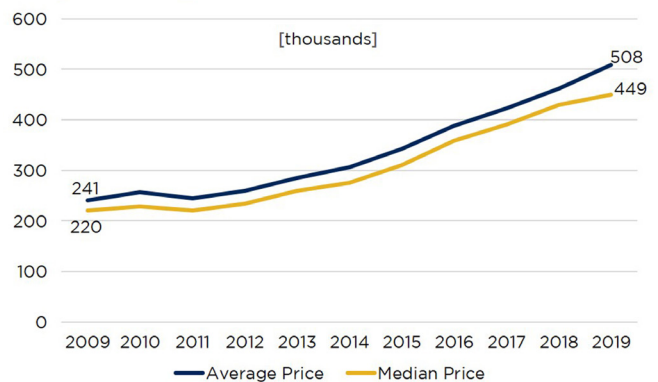
CITY OF LONGMONT

Attached Dwelling Prices



Small changes in a strong market. The median price was down 0.7% and the average price down 2.1%, contrasted by an 11.3% jump in the number of sales.

Single Family Prices

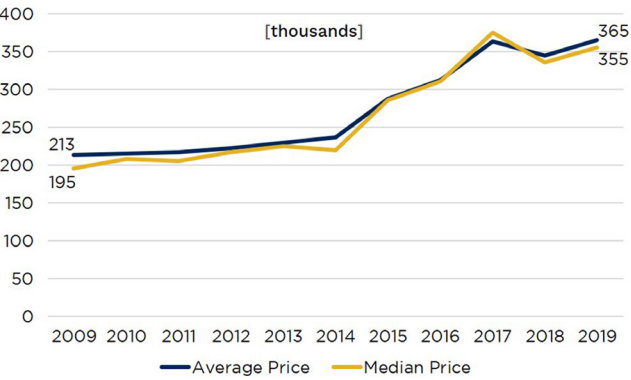


Median and average prices were up 1.4% and 1.9% as inventory rose 9.9%. This is still a strong market with a 6.4% increase in the number of sales.

CITY & COUNTY OF

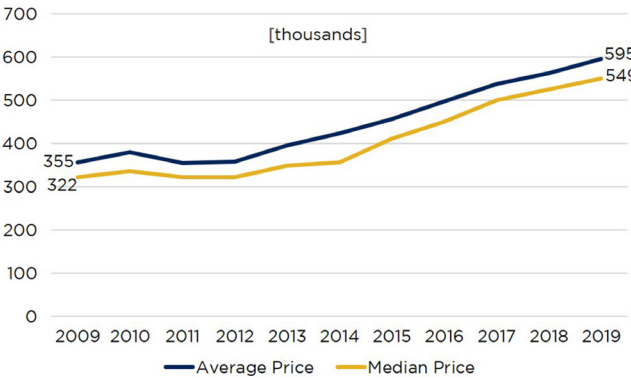
BROOMFIELD

Attached Dwelling Prices



After a banner 2017, Broomfield is just getting back to those prices. The average and median prices rose 6% and 6.2% while the number of sales fell 4.5%.

Single Family Prices

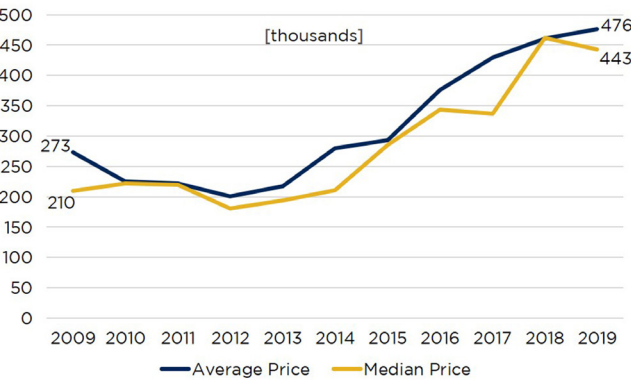


Broomfield continues to have fewer homes for sale, with inventory down by 23% and sales up 6.7%. Median and average sales prices were up 4.6% and 6%.

TOWN OF

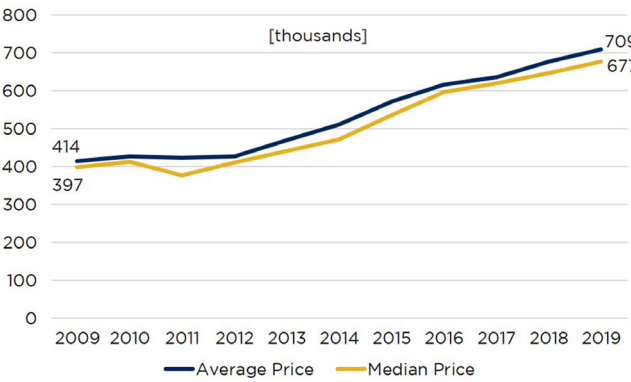
SUPERIOR

Attached Dwelling Prices



The median price was down 4.3% and the average price was up 3.8%. The number of sales fell as a result of stalls in the builder process this year.

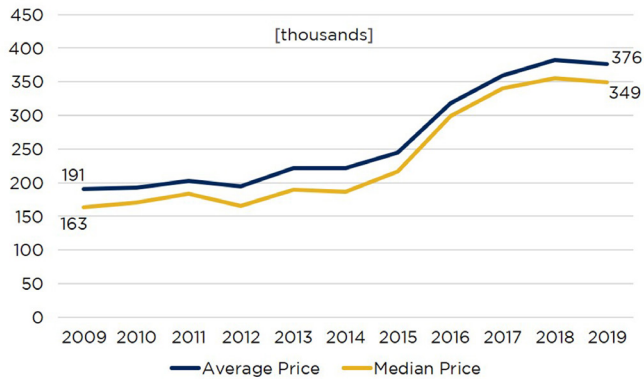
Single Family Prices



Inventory was down 4.2% overall after rising 60% in the 3rd quarter. The number of sales increased by 41%. Median and average prices gained 4.9% and 4.7%.

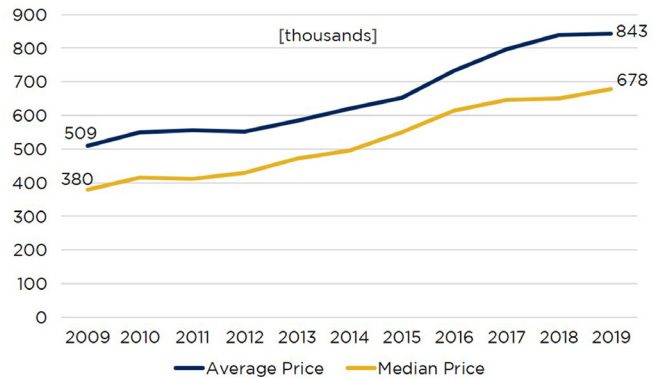
PLAINS

Attached Dwelling Prices



Buyers showing some price sensitivity. The median and average prices were down 1.7% and 1.5%, while the number of sales were up 3.2%.

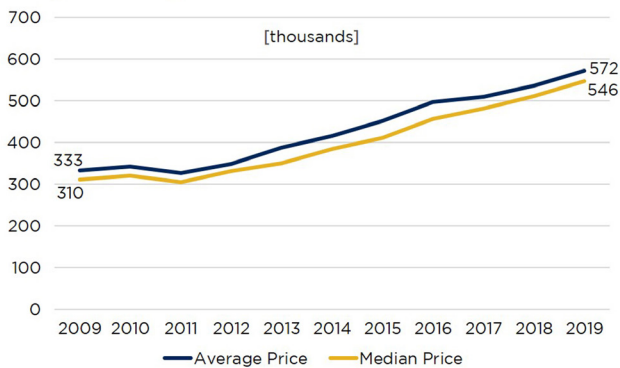
Single Family Prices



Inventory ended down 8.2% despite gains throughout the year. The median price was up 4.3% and the average price down 4%. The number of sales decreased 7%.

ERIE

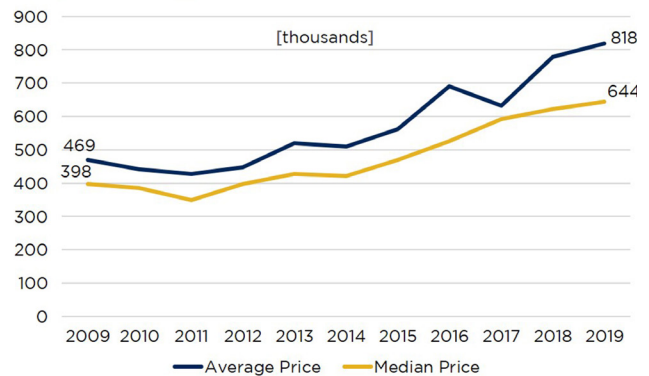
Single Family Prices



Erie's inventory increased by 100%. This market saw median and average sales price gains of 5.1% and 9.5%, and a jump in sales of 17.6%. We expect builders in Erie to post strong numbers in the first half of 2020.

MOUNTAINS

Single Family Prices



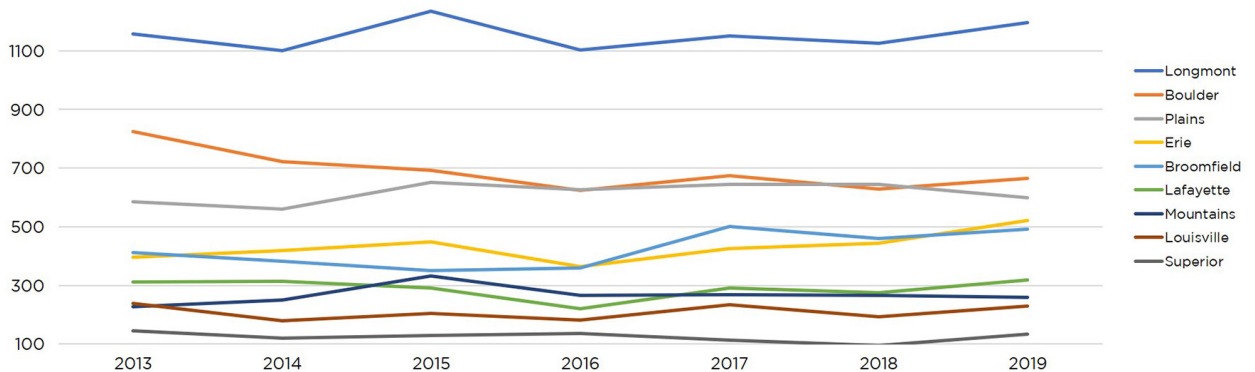
Inventory declined by 14.5%. The median and average prices were up 3.6% and 5.1%. This market ended the year with only 28% of homes for sale under contract.

LONGER COMMUTES LOWER PRICES

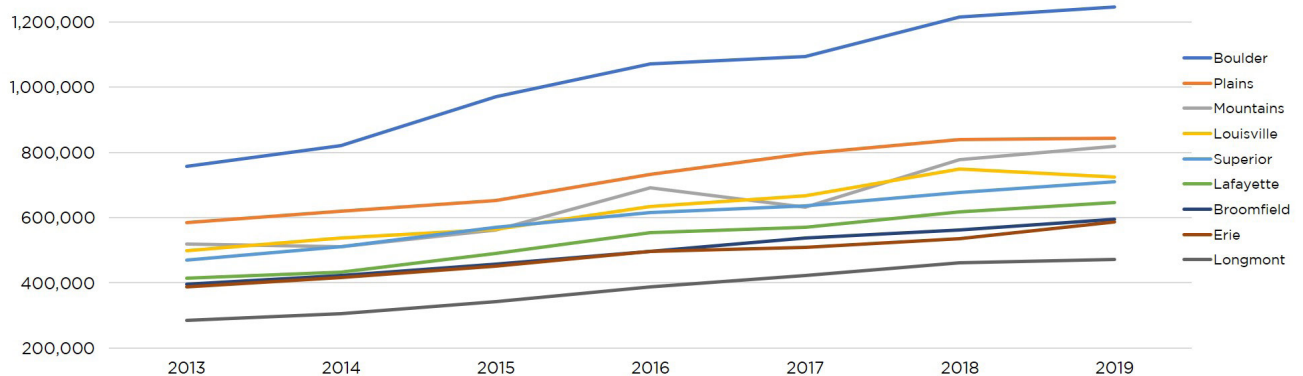
Which is more painful, a longer commute in ever increasing traffic, or paying top dollar for a more modest home? The major metropolitan areas of our market tend to appreciate at higher rates during economic expansion. For the average homebuyer, a longer commute is less painful than the cost of a smaller home closer to work. Our market has just experienced one of the longest periods of expansion and appreciation. This has drawn buyers to outlying areas with more affordable, larger homes.

Here you will see that areas with lower prices saw the greatest number of sales. Some areas with higher prices, namely the city of Boulder, are showing a drop in sales. These graphs do a good job of illustrating the current broadening of the price gap between the city of Boulder and neighboring communities. After periods of market stall, where wages improve and neighboring communities continue to appreciate, the price gap could narrow, drawing more buyers to urban employment centers.

Number of Homes Sold by Area



Average Price of Homes by Area



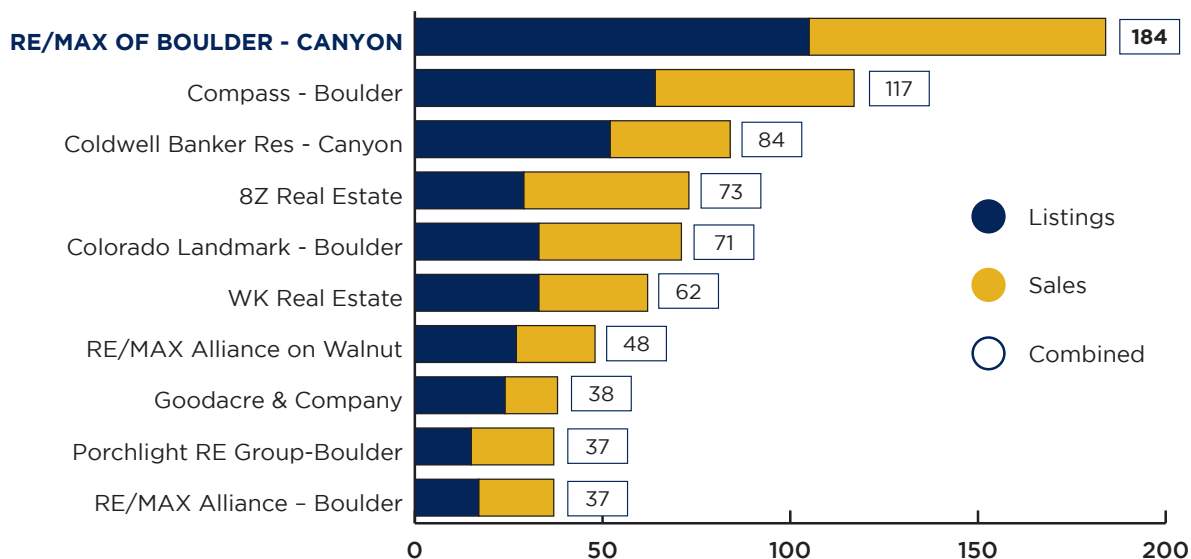
LUXURY EXPANSION

Since the great recession, higher equity and low interest rates have fueled our desire to nest and improve our homes. These improvements have done much to repair older homes and introduce a safer, more functional, albeit more expensive, housing product. So as Boulder County slowly bids farewell to asbestos, lead-based paint, radon, poor drainage, uneven foundations, and leaky basements full of mold, the market is offering incoming residents nicer homes at a higher price.

The luxury market here has traditionally been referred to as the million-dollar market. Regardless of what benchmark we use for the price of luxury, it is clear that the million-dollar market is becoming a much larger share of our total housing. Homes sold over \$1M reflect 48.7% of the 2019 single family housing stock in the city of Boulder, and 16.4% of the total homes sold in Boulder County. It is certain that we will see this number climb.

LUXURY SALES

Top 10 Offices – Home sales above \$1 million in Boulder & Broomfield Counties



Data taken from IRES MLS, January 15, 2020 for time period January 1, 2019 - December 31, 2019
Residential Listings Sold are Single Family and Condos/Townhomes

The economy was strong locally and nationally in 2019. Interest rates retreated to historical lows and unemployment remained low. Those who again predicted recession and a market bubble had to eat their words for one more year. However, appreciation in Boulder County flattened. The median and average sales price didn't move. So, what happened to our market? Where are the multiple offers and waived appraisals?

Earlier in this report I mentioned that the number of sales in Boulder County were up 5.4% over 2018. While this establishes that there are still buyers, it is clear the market lacks the buying urgency of recent years. Here are some of the changes in market drivers we have experienced:

- As prices continued their unprecedented rise in 2017 and 2018, some buyers were pushed out of the market, reducing competition.
- Inventory in 2018 was so low that even the modest rise in inventory in 2019 was enough to give buyers noticeably more options.
- In 2018, the threat of increasing interest rates spurred purchases through perceived scarcity of affordable loans. In 2019 however, we saw that threat unrealized and ultimately retracted.
- Price sensitivity, more options, and confidence in interest rates for the 2019 buyer resulted in less competition, and ultimately a sense of patience.

So what does this mean looking forward?

Buyers should see stiffer competition for homes at the beginning of the year as inventory will be extremely low. As the year progresses, there should be more houses to choose from and sellers will be much more aware of the current balance of negotiation power.

I am estimating months of inventory in the overall market to breach the 4 months of inventory marker during the 2nd quarter this year. The 2020 buyer will have the luxury of a normal inspection process with more time to negotiate and make decisions. The hardest thing buyers will run into this year will be knowing when to compete. There will still be special and well priced properties selling over asking price with multiple offers. Overall though, 2020 will provide the buyer with a much more comfortable environment in which to shop.

Sellers should have a moderately good year in 2020. There will still be plenty of buyers and the listing experience could be a pleasant surprise.

Sellers should understand the recent price sensitivity and be ready to accept that their homes are worth roughly the same as they were last year. Buyers will ask for and expect repairs to be made at inspection resolution, and appraisals will likely become tighter.

The use of a professional real estate agent on both sides of a transaction, effective pricing, and locating property through multiple sources will all be paramount to the success of every transaction in 2020.



In 2020, there will be slightly more houses to choose from and more balance in negotiating power.



By Todd Gullette, Managing Broker
RE/MAX of Boulder

COMMUNITY CONNECTIONS



This year is RE/MAX of Boulder's 43rd year serving the Boulder Valley. We continue to reach beyond real estate to bring our community together.

To thank our clients, neighbors, and community for your continued support, we invite you to two live music events we are sponsoring this summer:

BANDS ON THE BRICKS

LOUISVILLE DOWNTOWN STREET FAIRE

We also support our local businesses by sponsoring:

BOULDER ECONOMIC FORECAST

BOULDER VALLEY REAL ESTATE CONFERENCE

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RE/MAX of Boulder has earned its place as Boulder Valley's top-performing real estate company. Over 100 top-producing Realtors, averaging over 16 years of experience, have made us the #1 company in buying and selling homes. Connect with us and we'll make you right at home in the Boulder Valley!

We have been awarded "Best Real Estate Group" in Boulder Weekly's Best of Boulder County community survey and "Best Real Estate Company" in Colorado Daily's CU & Boulder's Best awards.