BizWest

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TPC Colorado Clubhouse, Berthoud

QUOTABLE

"We have had to turn everything on its head and consider everything, all of our processes."

Laura DePorter, co-founder and business manager, Mountain Ridge Dentistry
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Innovation comes at nexus of calculation, compassion

Unprecedented. Extraordinary. Global game-changer. A black swan event.

We're tired of hearing these words to describe the pandemic sweeping across the world and leaving swaths of heartbroken families and crippled businesses in its wake. We're casting about for what can be done in response, on both an individual scale and across industries. And more often than not, we reach for the word innovation as a pathway out of this crisis.

INNOVATION
JANA SANCHEZ

Crisis creates the chaos that innovation thrives in. We've seen it countless times throughout our history. There's a space inside the miasma that a few visionaries can see into and pull out magic. In the pressure cooker of immediate massive need, ingenuity can yield innovative results.

Many companies may feel they've been innovating over the last several months, but in all likelihood they have been adapting, or possibly even evolving. Switching to remote working isn't really innovation. The technology has been available for years, though certainly not as broadly deployed as it now has to be. And switching up your product line or business model is more pivot than innovation.

Successful pivoting by companies came as we started to solve the problems this crisis poses as it developed. Savvy businesses turned quickly to fill gaps. Distilleries shifted from tasty elixirs to alcohol-based hand sanitizers. A local fashion company that began producing masks and scrub caps for hospital workers short on PPE, shifted to mass production of masks for general public use two months ahead of national chains. Those pivots have served them, and their communities, well.

We've also seen rapid response innovation emerge from the crisis. Amid worries about ventilator shortages, enterprising manufacturers adapted scuba gear into quick turn, life-saving devices. And in the past two months, new types of ventilators have been designed, 3D printed, and put to use across the country.

However, pivots and rapid response innovation won't provide us with the kind of wholesale shifts we'll need to navigate long-term effects of COVID-19.

Long term change driven by innovation will come when we begin to think even farther down the road to what our new way of life is going to be. What will people need to navigate new requirements and societal changes the virus has brought? What challenges will need to be solved? And most importantly, how can we do it in a way that serves to better us and our work?

There's the rub. We have a wide-open opportunity to change long entrenched systems and behaviors across a huge swath of society. And some companies will fall on the side of making the fast dollar that works in the short term. And some will fall on the side of wholesale change, ripping out old systems and creating new ones. One is a flash in the pan and the other could take a decade.

The economy won't be repaired with either.

We'll need companies that can see into the future with clarity about how we'll need to change, and what shifts we can make for the betterment of our workforce and economy at the same time.

What kind of innovation could we have if companies help us successfully navigate a delicate balance between calculation and compassion? What would improve if we found new models, systems, and products that both made a profit and positive change to how we do business?

The balance between calculation and compassion is a conversation I've been having often with business owners these past few months. How you balance between keeping the business alive and keeping employees. How you make a profit while taking care of people and helping them thrive. How to revive the economy while making systemic shifts to make it more resilient to future potential crises.

Companies have a tremendous opportunity to use this time of disruption to create something new, to be truly innovative. But navigating the narrow path between calculation and compassion and coming out the other side with products and services that both serve our community and provide profits won't be easy. But it's going to be necessary.

Jana Sanchez is the executive director of LaunchNo.CO, a nonprofit dedicated to helping companies form, grow, and stay in Northern Colorado. She can be reached at jana@launchno.co.

Trust & tradition: 'Mom & Pop' shops bring it home

As clients ran for the hills, I held my nose and released my stubborn resistance to minority/small business assistance. All I needed was the chance to bid on larger contracts. Breaking my rule to never apply for help, I signed and submitted stacks of forms proving I was a. qualified, b. ran a small business and c. was born black. A year would pass before I heard from them. Fast forward to 2020. Staring at hastily written guidelines for CARES, PPP (1 & 2), (SBA)-EIDL, Express Bridge, SBERP — all meant to help them survive — most 'mom & pop' shops will not or cannot apply.

LEADERSHIP
RICK GRIGGS

Small operations don't believe in the blind-folded lady holding the scales of justice. Like now, when it comes to weighing the lives of the vulnerable against the accountants of the mighty, there is no match. The news asks, "Do you have to risk your life to save your business?" Small business owners already know that answer.

Of the over 30 million small (under 500 employees) or micro (less than 10 employees) businesses in the USA, barely 50% last five years. Most struggle to find qualified employees while only 40% are profitable. Smaller businesses create 64% of new jobs and total 90% of the business population. Most started with less than $10,000 of capital and bring in less than $100,000 in annual income to the owners. To them, a focus on survival is not waiting in a bank lobby. Filling out the forms didn't work the last time. Someone else's attorney was there when the bank opened.

Trust & Tradition

We trust the small store, bakery or print shop. We infer a connection that lets the shoulders drop — where tradition matters. Lasting small businesses fill a visual and emotional void. Research might highlight planning, flexibility and funding to keep a small or micro business alive, but I see pride, grit and determination. That's why few ask for handouts. Few understand why the 'mom & pop' mentality isn't geared to go to the bank, wait in line and plead for rescue money. Veteran 'mom & pops' know that trust and tradition sink deeper than short-term help.

Small to 'Smart' Business

If ever there was a time to make some structural changes it is now. Larger firms can trick clients with poor quality, hidden fees, surprise shipping costs and small-print lies. The small operation that lasts would never risk losing the trust and tradition customers crave. I'd advise three things to change habits and turn a small business into a 'smart' business.

• Hours — It doesn't take much vision to work long hours. If you're working 60 hours a week, 20 are wasted — I guarantee. Customers enjoy doing business with someone who seems rested, connected and vibrant. Direct those 20 wasted hours into community events, boards of directors, classes or volunteering. You might find your next big referral or client.

• Pricing — Most of you aren't charging enough. Or, better said — you haven't done the emotional work to merit better pricing. You also deserve to be paid on time — Late money is hate money. I once rented a spare office to an ex-IBM manager who promptly announced that I wasn't profitable. No surprise there — only the speed of his deduction. He said I wasn't charging enough. At our next staff meeting I announced that we were moving our standard training and consulting event rate from $2,200. to $4,500. One employee said, "I couldn't charge that much" and resigned weeks later. It took nerves of steel but our good clients understood while troublesome ones gently faded away. We now had time to deliver a superior product — with much better margins.

• Favors — Be very careful using a small or struggling business to support worthwhile efforts in your family, neighborhood or community — it can overwhelm or cloud your business purpose. Your business is … your business. Most small operations fail due to cash flow or not bringing something new or useful to the market. Focus like a laser on satisfying client needs with something useful, unique or timely. Customers first; favors second.

Every small, micro and even 'mom & pop' effort to re-open and recover must sort out a balance offering something useful, respecting yourself and sustaining cash flow. Going forward you must provide valuable utility and fill out the forms to survive.

A year had passed since sending in my business assistance information when I received a surprise notice from the same agency. It was a new application to show proof that I was a. still qualified, b. still ran the business and c. still a minority — I tossed the paperwork in the trash.

Rick Griggs is a former Intel Corp. training manager and inventor of the rolestorming creativity tool. He runs the 10-month Leadership Mastery Academy. rick.griggs83@gmail.com or 970-690-7327.

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BW INSPIRE

Niwot woman-led company competes for VC prize

By Ken Amundson
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NIWOT — A Niwot-based startup that helps to match personal attributes with careers was among five women-led companies nationwide to compete May 19 for a quarter of a million dollars in investments. The competition, a one-day pitch contest, resulted in funding, plus access to other investors.

The Niwot company, Indigo Education Co., didn't win, but it did gain the attention of potential investors and was able to showcase its services on a large stage.

Hosting the pitch event was ECMC Foundation and Chloe Capital. Indigo, founded by Sheri Smith, was the only Colorado company in the hunt for the investment prize.

The five finalists were selected based on their ideas in education innovation, college success, career readiness and workforce transformation. The event was called "Invest in Women: Future of Work & Education."

The event was significant for two major reasons. First, it was meant to combat the inequity in venture-capital funding of women-led businesses. As reported in Fortune magazine, only 2.2% of venture-capital funding in 2018 went to women-led companies, and one male-led company, Juul Labs Inc., took in more venture-capital money — $12.8 billion — than all venture-capital raised by the 482 female-led companies that received funding that year.

COURTESY INDIGO
Sheri Smith, founder of Indigo, speaks to students and parents at Peak to Peak Charter School in Lafayette.

Second, the competition's emphasis on career readiness and success comes at a time when 40 million Americans are unemployed.

"I think that a lot of the traditional jobs [lost during the pandemic] aren't coming back," Smith told BizWest. "I think a lot of the unemployed will still be out of work a year from now," she said.

Kathryn Cartini, co-founder and partner of Chloe Capital, agreed. "Sheri is onto something hot," she said. She said the company's focus on preparing people for jobs, especially with so many unemployed now due to the COVID-19 pandemic, will be important.

"We hope that the spotlight we've put on them" will result in investment in her company, she said. Of the 600 people who joined the virtual pitch competition, half said they were investors.

Indigo Education Co., founded in 2013, "uncovers the intrinsic genius of the individual and then helps find the education pathway," Smith said. The company helps determine not only what an individual might be good at, but also how the person is wired, which may be an indicator of success, she said.

Indigo Education has a three-pronged approach. First, its system assesses behaviors and aptitudes, then uses an artificial-intelligence platform to generate information that the student can act upon, and finally it maps

Please see **VC prize**, page **28**

Work-life balance shifts in response to pandemic

Shelley Widhalm
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When the Colorado Women of Influence had a Zoom Girlfriends & Wine weekly session in mid-May, the 17 members attending pondered work-life balance in pandemic times — plus, they wanted to make a social connection.

"Before the pandemic, we were crazy busy running around like idiots. We were rushing for meetings, events, clients and get-togethers," said Ann Clarke, founder of Colorado Women of Influence, a group that holds social and networking events.

Now, the members feel they can be more efficient in how they utilize their workdays, meeting virtually instead of in person and saving on driving time, Clarke said.

"The forced isolation forced us to look at how we're living our lives," Clarke said, adding that in their busyness, the members ignored important stuff like being part of nature, exercising outside of the gym, cooking and enjoying their homes and yards. "Especially in Colorado, we have an amazing lifestyle available to us, and we weren't taking advantage of it. We've come to realize we can do a lot of business from home."

The 86 members of Colorado Women of Influence are not alone in the cultural shift in the work-life balance and the changes in priorities brought on by the COVID-19 crisis.

The term "work-life balance," however, no longer seems fitting and should be replaced by something like "work-life integration," said Carrie Pinsky, career counselor and principal of Pink Sky Career Counseling in Fort Collins.

Using "balance" brings up the image of struggling to walk a tightrope about to fall, while "integration" points to work and life fitting well together, Pinsky said. Before the pandemic, the average person didn't achieve that integration, working a long workweek and struggling to take care of the self, she said. After, the new normal means more time to cook, go on walks and be with family and less time on long commutes and traveling, she said.

But that normal also presents some challenges, such as creating a work-from-home office with the right equipment and support, Pinsky said. Though for some working from home is ideal, others find it to be socially isolating and difficult to self-manage, keep a regular schedule and juggle family and pet needs with work tasks, she said.

"All the rules have changed for all of us; nothing is the same. How do we navigate that for ourselves and make the decisions that are best for us?" Pinsky said.

Some of Pinsky's clients have had time to reflect on their lives and are considering career changes, realizing that what they did before wasn't working for them. Some of the habits they have recently created, such as running before work and taking lunch-hour walks, may be something employees can bring into the workplace.

ISTOCK IMAGE

When work is at home, suddenly the personal and professional aspects of life come together.

At the same time, employers can place less pressure on employees to work when they're not feeling well or allow for a gradual return to work, such as working in the office a couple of days a week. They also can allow for remote work if possible, realizing that one-size-doesn't fit all and policies can be sensitive to individual needs, she said.

"Whatever your reality is there is going to be an adjustment period," Pinsky said, adding that ideally, people will think about what they learned from the stay-at-home and safer-at-home orders and carry the best parts forward. "Maybe there are some benefits we can hold onto and not go back to business as usual."

Part of not returning to the old normal is shedding the arrogance of knowing what's going to happen next, something that the pandemic has made uncertain with all of the safety precautions and social measures, said Jessica Hartung, founder of Integrated Work in Boulder and author of "The Conscious Professional: Transform Your Life at Work," published in 2019.

"I think the real question is — we're all going through this — how many are growing through this, before, during and after?" Hartung said. "We need to make sure we're open to learning together as we go and that we are actually in communication about what problems need to be solved and what possibilities exist to make the future better."

Employers can increase that communication by checking in with how staff members are doing and making sure they have what they need to do their work from home, Hartung said. Meetings can be scheduled around family needs, such as outside of breaks or lunch time, she said. And employees can be given time for learning and renewal instead of solely focusing on project completion, she said.

"Taking into account the whole person is one of the pieces that will be emerging from this experience," Hartung said. "Priorities changed in that they must actually be priorities. Managers and leaders are not prioritizing, saying they need it all."

Instead, they can identify what's essential and most important and let go of the rest, Hartung said.

"I don't think we're looking for balance anymore but stability of work and life that work together," Hartung said.

Before the pandemic, work was left at work and split from home life with clearer boundaries, said Abbie Miller, Psy.D., a licensed clinical psychologist and behavioral medicine specialist at the Kaiser Permanente medical offices in Loveland, Fort Collins and Greeley.

Those working from home struggle to split their time between both and also integrate the time they have available with their other duties, like providing home schooling and caring for older family members.

"We even expanded the jobs we have, and we are doing it all in the same environment," Miller said.

Work hours have shifted outside the normal 9-to-5, and there is a need for multitasking, or working while doing other things, and increased flexibility and creativity to juggle the different responsibilities, Miller said.

"We are being challenged in many ways," Miller said. "It would be odd if you didn't feel stress in this. … There has been a ton of change that happened rather abruptly for us."

To manage the stress, Miller recommends daily check-ins of stress levels, engaging in mindfulness, allowing time for enjoyment activities and staying connected with others, as well as avoiding setting too high of expectations.

"There's increased stress and more responsibility and fewer outlets to recover and take care of ourselves," Miller said. "Reach out to your support system. That's really important we check in with each other about that stuff."

Clarke sees several of her members who are company leaders checking in with their staffs on a regular basis. They are engaging in more team building and showing appreciation for their employees by bringing in lunch or coffee or saying thank-you.

"The employers, they came to realize how valuable their employees are and are more appreciative," Clarke said. "They are not looking at numbers but looking at each individual."

For small business owner Whitedove Gannon, work-life balance shifted from a set schedule of meetings separated from family time to a more harmonious existence between personal and business life with more fluidity between the two.

"It was so easy to know what's next," said Gannon, coach and mentor for impact-focused business owners and founder and host of the FEMnation Postcast and of the Female Entrepreneur Movement in Longmont.

Home and life schedules followed a routine during the school year and summer months, becoming a part of what Gannon calls "rolling life," but then the pandemic hit and "almost froze time," bringing with it a large number of uncertainties, she said. Personally, she couldn't meet clients in person and had to engage in online meetings and work entirely from home, sharing her office space with the family.

"Not everyone has a shiny office at home," Gannon said. "Nobody is critical of that. … It's a lot more open-minded and accepting."

Madisen Golden, WomenGive membership manager, found a clearer delineation between her home life and her work life when she worked in an office, which now is in her kitchen. With working at home, she finds that she takes more breaks during the day and works later into the evenings since she's already at home.

"It definitely blends together more so than it did before," Golden said, adding that working at home also presents some challenges, such as staying focused and avoiding distractions.

Golden tries to establish set work hours, to get up at the same time each day and to exercise to address long periods of sitting.

"Definitely move your body when

Please see **Work-life balance**, page **28**

BW ONE ON ONE

One on One with Jane Brautigam

Each month, BizWest asks a business leader to participate in a question and answer feature to help shed light on a business topic, an industry or add insight to a field of endeavor. As the novel coronavirus has taken the nation and world by the throat, local governments have been among its victims. This month, we've asked Jane Brautigam, Boulder city manager, to talk about the issues.

BizWest: Boulder was one of the first communities in the region to reduce spending through furloughs and layoffs as the COVID crisis began to be felt. What were you seeing in the local economy that caused you to take this step?

Jane Brautigam: The city of Boulder relies heavily upon sales and use taxes to fund many of its core functions. As the pandemic began to unfold, we saw a variety of indicators that caused us concern about this revenue stream. Many businesses were closing; CU closed its campus and many students returned home; many commuters who spend money in our city during the workday were starting to work from home; and large events were being cancelled, resulting in significantly fewer visitors.

JANE BRAUTIGAM

We have a responsibility to balance our budget. As a result, we took several very difficult steps, including furloughs of more than 700 employees. To date, the city has not had layoffs, although city leadership and the executive budget team continue to consider many workforce-related cost-saving measures including: a hiring freeze, not backfilling vacant roles as attrition continues to occur, additional furloughs and layoffs.

BW: What is the city currently doing to blunt the impact of the virus on health and on the economy?

Brautigam: In responding to COVID-19, the city has worked to recognize the importance of both health and economic impacts. In addition to coordinating with public health officials and implementing many measures through a life and safety lens, the city has prioritized efforts to restore our local economy and support the many businesses and workers impacted by the pandemic.

Specifically, we have offered assistance ranging from grant support for small businesses to resources and consultation on safe operations and access to financial support. We established a dedicated webpage of business resources, offered industry-specific webinars, coordinated with others on restaurant space allowances to comply with physical distancing, instituted a rental payment plan for our own commercial tenants, and modified parking pricing to assist workplace return and pick-up/delivery ease. City staff has collaborated closely with the Boulder Business Response and Recovery Alliance, and we are incredibly thankful for these partners.

BW: How well is Boulder positioned to weather this storm and recover in as short of a time period as reasonable?

Brautigam: This pandemic and its aftermath, which is expected to last well into 2021 and perhaps beyond, presents a challenge for all local governments. However, Boulder is benefitting from previous policy decisions and a decade-long commitment to achieving many of the recommendations made by two blue ribbon commissions.

These include efforts to build up emergency reserves, now at 19.5 percent, creating a cushion that will help us bridge the one-time precipitous drop in revenue due to business closures. We have also worked to diversify our revenue sources without increasing property tax rates and looking strategically at expiring taxes that fund ongoing needs as well as specific community priorities.

Lastly, we are leaning heavily on one of our greatest assets — our dedicated, professional, creative and engaged community and staff. We are so fortunate to have solutions-oriented partners who are helping us support the public. I am particularly proud and appreciative of my many city colleagues who have risen to this challenge and implemented enhanced customer services, embracing innovation and continuous improvement under unimaginable circumstances.

BW: What message do you wish was better understood by people in Boulder and the region?

Brautigam: This pandemic has created some of the most challenging conditions I have experienced in my career as a public servant. It was critically important that we prioritize life and safety and move quickly to align ourselves with the guidance of public health officials. I am confident our city council saved lives as a result of its quick action. At the same time, we understand the importance of striking the right balance to support our local economy. We are thinking creatively, in partnership with our many partners in our business community,

Please see One on One, page 31

BW ENERGY

PRPA to add more green power this summer

By Ken Amundson
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COURTESY PLATTE RIVER POWER AUTHORITY

The Rawhide Flats solar installation is adjacent to the power plant where Rawhide Unit 1, the utility's workhorse, is located.

FORT COLLINS — In another month, barring inability to meet in person, the board of the Platte River Power Authority will be asked to weigh in on its choice of one of four options to help the wholesale electrical utility reach 100 percent non-carbon generation by 2030.

A goal that just a few short years ago seemed audacious if not impossible now appears within grasp due to improvements in technology and declining costs to implement green sources for electrical power.

This year, PRPA, which generates and supplies wholesale electricity to Fort Collins, Loveland, Estes Park and Longmont, will reach 50 percent carbon free in its portfolio. Non-carbon sources of power are hydro power from federal dams, wind and solar from owned or contracted PRPA developments, and some purchased from other utilities.

Two new non-carbon developments will be ready to come on line for the utility this month and next. A Tesla battery installation to accompany one of them, the Rawhide Prairie Solar field, will help utility operators test how battery storage of wind and solar power will fit in the mix. The battery unit will be operational by late summer, said Pat Connors, vice president of power supply for PRPA.

"All the portfolios [options for the board to consider] contain a battery component. We have to understand the technology. We have to know how to charge and recharge the batteries or we'll burn them out," he said.

Customer demand within the member cities of PRPA has resulted in the effort to devise a plan that will result in less usage of coal and natural gas to generate electricity and more use of renewable energy.

The four options under consideration as part of the utility's integrated resource plan are:

Option 1 — Continuity. Here, PRPA will continue to add non-carbon energy generation as it is economical, maintain reliability and retire coal-fired generators when it's advantageous. This plan will not reach 100 percent renewable energy by 2030 but will result in the lowest increases in costs to member cities at 2.2% annually.

Option 2 — No coal-fired generation by 2030. This plan would add more renewable energy sources than Option 1 but continue to use natural gas-fired generators to manage electrical loads. The utility would reach 90 percent non carbon generation by 2030. Wholesale rates would increase 2.6% annually.

Option 3 — 100% non-carbon generation by 2030. This plan eliminates all existing coal and natural gas generators and substantially increases solar, wind and battery storage capacity. Rates are projected under this plan to increase 8.7% annually to member cities, and utility operators are unsure whether the system's current reliability can be maintained. The utility would need to rely upon electrical markets outside of the PRPA to gain higher reliability.

Option 4 — Integrated utilities. This option requires greater integration between transmission and distribution networks so that electric vehicle use and dispersed rooftop solar generation can be supported. Rawhide coal generation would be phased out by 2035 or, perhaps, that coal generator, which is cleaner than most coal plants, could be used to eliminate dirtier coal plants elsewhere in the west. Reliability could be maintained and wholesale rate increase would be about 2.8% annually.

The PRPA portfolio

The utility has a variety of generating units located north of Fort Collins and in western Colorado at Craig, for a total summer capacity of 1,017 megawatts.

The units are:

• Coal-fired Rawhide Unit 1, a 280 megawatt generator that has served as the backbone of the utility's network since 1984. It's the lowest cost generating resource in the portfolio.

• Craig units 1 & 2, also coal-fired, are rated at 151 megawatts. These units are scheduled for decommissioning first.

• Rawhide natural gas units A, B, C, D and F, which are primarily used to handle peak loads. They can jointly generate 388 megawatts of power.

• Federal hydropower, 90 megawatts, comes from dams across the west.

• Medicine Bow Wind Project, a six megawatt installation at Medicine Bow, Wyoming.

• Spring Canyon Wind Energy Center, a 60 megawatt installation near Peetz.

• Silver Sage Windpower Project, a facility near Cheyenne, Wyoming, delivers 12 megawatts of energy to Platte River.

• Rawhide Flats Solar, a solar field built in 2016 on 185 acres adjacent to the Rawhide plant that contains 117,120 panels and is rated at 30 megawatts.

• Rawhide Prairie Solar, opening for test energy in July and commercial use in September, will stretch over 150 acres and is rated at 22 megawatts. A battery installation to store two megawatt hours will be included in this project.

• Roundhouse Wind, which is ahead of schedule, will start to produce power in early to mid June. It stretches over 14,000 acres 10 miles north of Rawhide and generates 225 megawatts. It will use the distribution capacity available at the existing Rawhide plant.

Platte River's non-carbon resources emphasize wind over solar. Part of the reason for that has to do with its power sharing arrangements with other utilities.

The western alliance

Wholesale power providers don't operate alone. They are part of a grid in which excess capacity in one area can be tapped to help meet loads in another.

Platte River has a joint dispatch agreement with three other regional utilities to share power resources. Those partners, Xcel Energy, Black Hills Colorado Electric and Colorado Springs Utilities, had been evaluating whether to join an even larger alliance. In December, they settled on the Western Energy Imbalance Market operated by the California Independent System Operator. The new arrangement is intended to save costs and bring more non-carbon sources of power into the Colorado network of utilities.

PRPA will become part of the new imbalance market in April 2022, Connors said.

"There's more solar out west, and more wind in Colorado," Connors said. "We're relying on each other's resources to extend capacity. When solar in California is strong, we can use that," he said.

Platte River wants to have its new integrated resource plan completed by December. Until the COVID-19 pandemic put a stop to in-person hearings, It had gathered comments from listening sessions in the member communities. It continues to gather information from members online.

It delayed the board decision on options because board members wanted to meet in person to debate the direction they will give to utility executives.

The board, composed of the mayors and utility managers from each member community, plan to have that meeting in July.

Longmont completes work on biogas conversion project

By Ken Amundson
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LONGMONT — Longmont trash trucks will now draw power from biogas pulled from the city's wastewater treatment plant.

The city has completed a project begun in 2018 that converted the wastewater treatment plant into a renewable natural gas plant. The captured gas is then compressed in order to prepare it to power 11 trash trucks, according to information provided by the city. The facility can produce natural gas that is equivalent to 400 to 500 gallons of diesel fuel daily.

"Eventually, we want to replace all 21 waste trucks with renewable natural gas," said Cara Wilwerding, public relations specialist with the city. She said the city hopes to make that happen by 2024 as existing diesel trucks are due for replacement.

The project is the first along the Front Range.

The 11 renewable natural gas trucks offset use of about 100,000 gallons of diesel fuel annually, reducing greenhouse gas emissions by about 1,000 metric tons of carbon dioxide per year. Prior to the plant's installation, Longmont would capture the natural gas but flare it [burn it], according to Cory Kahler, field operations manager for the contractor, CGRS Inc.

COURTESY CGRS

Refueling happens overnight. Trucks are connected to refueling posts at the end of work shifts and are ready to go in the morning.

Wilwerding said the cost for the design, construction and equipment for the biogas conversion part of the project was $5.2 million, with the Colorado Department of Local Affairs providing a $1 million grant to offset some of the cost.

Cost to construct a waste services building in connection with the project was an additional $3.1 million.

Trash trucks capable of operating on compressed renewable natural gas cost about $350,000, a $45,000 premium over the $305,000 cost of diesel trash trucks. The Regional Air Quality Council paid 80% of the differential between the two types of trucks, Wilwerding said.

Trash trucks are housed in a new, 22,680-square foot waste services building on Martin Street in Longmont, near the wastewater treatment plant. Truck drivers connect their vehicles at the end of their shifts to one of 16 fueling posts in order to have the trucks ready to go in the morning.

Carollo Engineers Inc., with offices in Broomfield and Littleton, designed and built the biogas treatment system. Fort Collins-based CGRS Inc., an environmental services and construction company, was project manager and construction contractor for the entire project.

Kahler said the project is the "first of this magnitude" that CGRS has completed. Comparable projects for other communities are in the works, but he declined to identify those communities at this point.

"It's attracting attention," he said of the Longmont project.

COVID could kneecap debt-heavy drillers into bankruptcy

By Dan Mika
dmika@bizwest.com

WELD COUNTY — The health and economic crisis caused by the emergence of the COVID-19 virus across the world has thrown the oil markets into disarray, along with some of the largest operators in the heart of Colorado's energy industry.

Negative oil prices are not the new normal, and the majority of oil and natural gas operators have reliable income streams through the rest of this year. But if the economic crisis caused by the pandemic across the world continues and people continue to stay home to prevent its spread, some of Weld County's biggest producers may crack under the weight of massive debts and dirt-cheap prices.

Out of the approximately 169.85 million barrels of oil produced in Weld County last year, 83% was produced by seven publicly-traded drillers, according to a BizWest analysis of state energy production data. Those same seven firms also generated almost 86% of the 959.42 million metric cubic feet of natural gas production last year.

Many of those drillers carried more debt on their books at the start of the year against the entire value of the company. Occidental Petroleum Corp. (NYSE: OXY), by far the largest producer in Weld County at 39.41 million barrels of oil last year, had a little over $75 billion in total liabilities against $34.23 billion in stockholder equity at the end of 2019. A portion of that debt was taken on from its acquisition of Anadarko last year.

Extraction Oil & Gas Inc. (Nasdaq: XOG) had $2.24 billion in total liabilities against just $508.74 million in equity, producing 18 million barrels last year in Weld County.

For some, the bankruptcy troubles have already begun. Whiting Petroleum Corp. (NYSE: WLL), which accounted for 3.4 million barrels of Weld County's oil production last year, went into Chapter 11 bankruptcy on April 1 to reorganize $2.2 billion in long-term commitments. It said it reached an agreement with its largest bondholders in late April and plans to exit bankruptcy the next several months.

Extraction is also potentially looking to restructure after it said in its latest earnings call that it had hired advisors to "evaluate strategic options" in the current climate. As of May 7, it had drawn all $600 million of its revolving credit line and had $94 million in cash.

The outlook for private companies isn't rosy either. Operators in the Rocky Mountain region believe around 37% of oil firms could become insolvent in under a year with oil at $50 per barrel, while 40% of oil firms are thought to have less than a year of solvency left with prices at $30 per barrel, according to the latest energy survey conducted by the Federal Reserve Bank of Kansas City.

> "That's meaningful, because these restaurants that had to shut down, when they turn back on, is anyone going to be there? Or the number of people who were supporting these rigs, are they still going to be out there? They're definitely not."
>
> Bernadette Johnson, vice president of strategic analytics at Denver-based energy consultancy Enverus

Those respondents said drilling for oil in the region would become profitable at $47 per barrel, but they don't expect prices to return to $50 within the next two years.

Patrick Hughes, a partner focusing on business debt restructuring with Haynes Boone, said the majority of energy bankruptcies so far have been caused by companies holding large tranches of debt.

In previous years, those cases were handled relatively quickly because low interest rates and a liquid financial sector made it viable for creditors to cancel debts in exchange for an equity position in the company. Those creditors generally thought it was better to take a stake in the struggling producer and wait a few years for prices to stabilize to recoup their investment, rather than force a liquidation sale when the company's valuation is at its lowest.

However, Hughes said creditors and debtors alike are trying to determine just how valuable an equity stake in an oil producer is during the pandemic itself, and what demand for oil will look like in a post-COVID economy where consumers have less spending power and may not be willing to travel as often.

"Now we're seeing a different dynamic because people are having a hard time understanding how far out the lower prices are going to be," he said.

Hedged... for now

Bernadette Johnson, a vice president of strategic analytics at Denver-based energy consultancy Enverus, told BizWest that Whiting and Extraction's bankruptcies aren't the first wave of a tsunami of bankruptcies because those companies had particularly high debt loads.

Many operators have hedged large percentages of their production out several months in the futures market, meaning whatever they're capturing in the next few months will fetch them prices in the $50 to $60-per barrel range that they were planning for at the start of the year. Meanwhile, companies are cutting their capital spending, with the number of active drilling rigs in Colorado dropping from 26 in January to just four in early May.

Johnson said most operators outside of those with outsized long-term debt can avoid bankruptcy by leaning on those guaranteed good prices, temporarily shutting in wells and scaling back exploration and new wells.

Very few producers hold futures contracts past January 2021, and futures prices next year are floating in the mid-$30 per barrel range. Whether or not that is enough to break even remains to be seen. Enverus predicts oil prices will remain in the high $20 per barrel to low $30 per barrel range through 2020, with price recoveries starting next year.

"If it lasts and persists through next year, then you really start having problems because nobody is attached starting January 2021," she said.

Right now, there is reason for optimism on the supply side of the price equation. Russia and Saudi Arabia started a pumping war in March, flooding the world's supply with cheap oil just as swaths of the U.S. and European countries started lockdowns. Those two, along with the rest of OPEC and other oil producing states, later agreed to deep cuts in April.

There's also glimmers of hope based on the traffic data seen in China and European states that have lifted hard lockdowns, Johnson said.

But that doesn't balance the market, which has been tipped over to what Enverus estimates is a third of the world's demand evaporating in a matter of weeks. Commuters are working from home and staying at home whenever possible, planes aren't flying as passengers worry about being in a confined space with strangers for hours, and less commercial activity lowers the amount of diesel being burned on cargo ships.

Johnson expects plenty more action for operators in the mergers and acquisitions space, partly because the larger financial markets are relatively liquid and these normally expensive stocks look like a

Please see **Drillers**, page **31**

City of Fort Collins

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Building Energy and Water Scoring

Make informed choices. Find affordable options.

The City of Fort Collins requires reporting and transparency of building efficiency of our largest multifamily and commercial buildings. Many building owners across Fort Collins are already setting their buildings apart by investing in building efficiency.

Net benefits

- Advertise and differentiate your building
- Retain tenants and increase occupancy
- Identify and prioritize future building improvements

Front Range Village

2720 Council Tree Ave., Fort Collins, CO 80525

A core focus of RPT Realty is a growth strategy that incorporates the very best environmental, social and governance practices including energy efficiency investments. RPT Realty believes this is critical to driving long-term value for shareholders. At Front Range Village specifically, ENERGY STAR Portfolio Manager helps on site teams, led by General Manager Huston Hoffman, to lower energy and water usage in innovative ways.

Village on Shields

3436 S. Shields St., Fort Collins, CO 80526

Housing Catalyst builds and manages affordable communities that contribute to the economic, environmental and social health of our city. Benchmarking with ENERGY STAR Portfolio Manager® helps inform decisions about upgrades that translate into cost savings for residents and contribute to our city's climate goals. Recent renovations at the Village on Shields combined updated design and energy-efficient features to create healthier living spaces and more environmentally sustainable housing.

Block One

428 Linden St., Fort Collins, CO 80524

Block One's property manager Leah Dunn believes that you can't manage what you don't measure. After assessing how Block One compares to similar buildings nationally with ENERGY STAR Portfolio Manager, she decided to participate in the City of Fort Collins Building Tune Up program and implement building automation with a third-party controls company.

Ram's Village

900 Constitution Ave., Fort Collins, CO 80521

Ram's Village advertises their ENERGY STAR Score for potential student renters and educates their tenants about the added benefits of low utility bills at the time of lease signing and lease renewal. Having the ENERGY STAR logo posted at the front of their leasing office provides an easily recognizable label to demonstrate their efforts to provide affordable and desirable housing options.

Prospect Station

221-303 W. Prospect Road, Fort Collins, CO 80526

Participating in the City of Fort Collins' energy efficiency rebate program, Prospect Station invested $9,100 in a complete lighting retrofit, realizing a pass-through savings of $4,260 to its occupants and fostering a greater retention rate.

Elective-procedure losses cost hospitals millions

By Dan Mika
dmika@bizwest.com

Hospitals and the health workers that staff them have been at the forefront of the COVID-19 pandemic, trying to handle the immense strain of treating a disease that has no cure and, as of this writing, has claimed the lives of more than 100,000 Americans.

But from a financial perspective, that heroism hasn't paid off.

According to consulting firm Kaufman Hall, the operating margin of the median American hospital fell 8% in April from the same month last year due to lost patient volumes and spending to beef up capacity for COVID patients.

That report estimates large hospital systems are suffering further due to scale, and that holds true for some of the biggest health-care players along the Front Range saying the coronavirus crisis has caused millions in lost revenue.

Profitable procedures down, costly critical care up

Not every patient and procedure is equally profitable to a hospital, and the amount of profit or loss a provider takes is based on numerous factors. In general, a hospital covers its losses from caring for patients who may be covered by low-reimbursing Medicaid insurance or are facing expensive acute care needs by offering a mix of elective procedures that may draw in patients with higher-reimbursing insurance policies.

But in mid-March, Colorado's COVID-19 response both prioritized hospitals to build out additional critical care capacity for what would become a wave of almost 4,200 hospitalizations by the end of May and banned them from doing elective procedures to minimize use of personal protective equipment and spread of the disease through the hospitals.

SCL Health said it spent $560,000 in preparing parts of Good Samaritan Medical Center in Lafayette for COVID patients, while UCHealth paid $16 million to build up its response capacity across the state.

That ban on procedures expired at the end of April, and medical providers are now operating on a limited capacity to make sure they have the ability to respond to a possible second wave of COVID cases. They have also been guided by the state to avoid procedures that require blood transfusions or follow-up care in an intensive care ward or inpatient rehabilitation center.

While many local systems say elective procedure schedules are starting to fill back up, the financial damage from months of lost appointments has already been done.

SCL Health said Good Samaritan lost an estimated $7.2 million in March and April, amounting to a 65% decline. In the same period, UCHealth said it lost $170 million in revenue after adding in some savings.

In an interview with BizWest, Banner Health western division chief financial officer Matt Huff said bookings for several procedures fell between 30% to 50% from mid-March on, with cancer screening volumes declining 90%.

Overall, Banner has lost between 20% to 30% of its revenues in March and April compared to the same months last year.

The stark loss in revenue led Banner Health to furlough between 5% to 7% of its staff nationwide in late April because those employees had "low or no work" due to widespread shutdowns in elective procedures.

Federal aid, but not enough

Through the CARES Act, the U.S. Department of Health and Human Services gave out more than $493 million in funding to more than a million public and private medical providers across Colorado.

That covered some of the losses of revenue for area hospitals. Good Samaritan received $6.2 million in those funds, while UCHealth got $97.5 million. Boulder Community Health received $4.48 million.

"These funds are essential to helping us reduce our significant financial losses, and the support will help some rural hospitals avoid closing their doors permanently," UCHealth Chief Financial Officer Dan Riber said. "However, the funds represent a small fraction of hospitals' overall losses."

Other health operators are also facing a question about their CARES funding similar to non-health-care companies that landed funds from the Paycheck Protection Act, which is making them hesitant to spend it.

Banner received just over $15 million in its Colorado facilities. However, Huff said the system has yet to recognize all of its federal funds because it's still determining how to use it in a way that will make sure it is converted into a forgivable grant.

"That's really driven by the hyper focus on the expense side given the fixed nature of a lot of costs in health

Please see **Elective**, page **31**

Let's pull on our oars together

I've heard it said, "We may be in this COVID-19 storm together, but some of us have leaky boats." Yes . . . and we either pull our oars together toward a brighter future for all of us, or we'll all soon have leaky boats. Fortunately, in our community's immediate COVID-19 response, we've demonstrated an encouraging degree of collaborative planning and action. It is in this same spirit that the Boulder Chamber offers a few principles to guide our collective economic recovery efforts.

BOULDER'S BUSINESS CENTER
JOHN TAYER

Tackle Economic Inequities: We begin our recovery journey recognizing that, indeed, there has been inequitable damage from COVID-19. In particular, we know communities of color are suffering economically more than their white counterparts. As the Center for American Progress notes, "Workers of color are overrepresented in many of the low-wage jobs that are most vulnerable to potential layoffs during the coronavirus pandemic." The staggering 45% loss in March and April of Colorado's accommodation and food service jobs speaks to that concern. Our economic planning efforts must respond to these disparate cultural impacts.

We also know many solopreneurs and small businesses, such as restaurants, retail and personal service providers, experienced some of the worst impacts from the destructive forces of COVID-19 and received inequitable and/or unhelpful treatment in the initial response programs. Our recovery plan must administer the restorative salve they require. At the same time, we will continue to bolster the productivity of those industries that remain vibrant through the storm. Both avenues are crucial to revitalizing pillars of our economic vitality and we must pursue them with equal vigor.

Strategically Focused and Adaptive: Whether economists predict a V-shaped, U-shaped, W-shaped, or even the "Nike swoosh" recovery, they all presume a common theme: It could take a long time to fully "recover," and that recovery may not be in a straight line. As the Federal Reserve vice chair stated, "[T]he course of the economy is really going to depend on the course of the virus and the mitigation efforts." Still, we cannot let this choppy course deter us from strategic planning that directs our limited resources to the most impactful tactics.

Thoughtful planning begins with actionable data and on-the-ground, industry-specific observations. This information will help us establish support plans for industries as diverse as aerospace and the arts, with focused action and investment priorities designed to achieve short-term relief and long-term vitality. Yet the COVID-19 virus will be with us until reliable therapies and vaccines are available. Our plans, therefore, must be adaptive to the anticipated economic turbulence that ensuing adjustments in public health protections precipitate, while maintaining a consistent guiding vision for our recovery goals.

Challenge Assumptions: COVID-19 will leave a legacy of impacts on business operations and our economic landscape that we can't possibly fathom. When others talk of a "new normal," though, I hesitate to join the chorus. Yes, as an example, Zoom meetings are now ingrained in our lexicon and lives. But what does that really mean for the arc of Boulder's economic recovery?

Global survey data finds that the experience with COVID-19 has increased employee preference for working from home by 49%. This might lead to projections of everyone telecommuting and Boulder office buildings turning into condos. Yet I reflect on the recent pre-COVID-19 decision of one large local technology company to reverse course and draw employees back to the office, recognizing that in-person engagement drives greater collaboration and innovation. The lesson: We must test our assumptions or risk pointing our recovery plan in the wrong direction.

We Can Do Better: Just as with the social and economic inequities I highlighted earlier, COVID-19 laid bare many of the cans we've kicked down the road. The business community faced repeated roadblocks in recent years to our calls for greater efficiency in business development review processes, accelerated investment in broadband infrastructure, increased housing diversity and more respect for the needs of our commercial sector. Hear us now!

The Boulder Chamber is and always will be a partner with residents and civic leaders in pursuing the goals we share for our environment, social safety net and quality of life. At the same time, when we call attention to those things that threaten our economy, we expect a reciprocal degree of partnership. If COVID-19 highlights anything, it's that we all have a stake in the strength of our economy.

Let's pull the oars together as we embark on our economic recovery journey and, following the above guiding principles, set the course for a brighter Boulder future.

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

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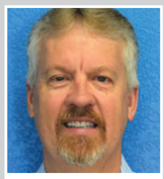
FACILITIES

Clean and Healthy: Keeping employees and customers safe as they return to work



Pete Gazlay
Total Facility Care

Cleaning is becoming a critical part of every company's brand value. Every employee and client, customer or patient wants to know your building not only looks clean but is clean. As employers none of us want our employees or clients to get sick from a visit to our building.

Cleaning has never been more important. Professional cleaning is critical. What is the difference? Post-pandemic can you assure your team and clients that professional processes, chemicals, trained technicians, and equipment were used? If not, you may want to find out if your cleaning company does the following:

- Cleaning protocols and training that improve your indoor air quality and ensure your building is cleaned and not contaminated.
- Do you have consistent frequencies for regular and periodic cleaning tasks?
- Do they certify or test their employees?
- Are the chemicals they use EPA approved for a variety of pathogens including COVID-19?
- Are they using microfiber cleaning towels and mops for dry and wet work?
- Are they using HEPA filtration vacuums?
- Are they mopping with two chamber buckets?
- Are their team members wearing personal protective equipment?

Your vendors ability to answer these basic questions will go a long way to providing peace of mind for you and your team. But what happens if you have a customer or employee that has COVID or COVID like symptoms?

Total Facility Care uses a six-step process for decontamination after COVID or other highly infectious disease exposures in our client's buildings. Our process is approved by the Global Bio-Risk Advisory Council.

1. Pre-assessment
2. Pre-Disinfect
3. Load Reduction
4. Forensic Clean
5. Professional Disinfection
6. Post Assessment

Since the pandemic outbreak we have done a number of these decontaminations in every place from clinics, to banks to landscaping trucks. We can clean just about anything so you can return the space back to normal service.

Now if your team has been working from home or most of your team has you will not need this level of cleaning. It would be wise to have your cleaning company conduct a detailed deep clean. This provides visual cues to anyone entering the building that it is clean and safe to be there.

Lastly you will want to think about where you can make your facility touch free. There are many touchless fixtures for restrooms, occupant sensors that turn lights on and off automatically, and touch free door openers you can operate with your foot.

You will want to think about disinfecting and sanitizing in between your professional cleaning. Most companies will not have someone onsite all day to clean in between meetings and after visitors.

Our team has been honored to serve on the frontlines during the pandemic. We are glad to share what we have learned with you so you can safely return to work. There are many more helpful tips at our website https://www.totalfacilitycare.com/covid-19/

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LAW

Force Majeure and the Covid-19 Crisis

James Goldbold
Attorney

We are living in unprecedented times. COVID-19 has impacted almost every aspect of our lives. For businesses, this is an especially difficult time to navigate given various local and state restrictions and regulations, recommended practices, supply chain issues, and general economic uncertainty. The ability of many businesses to perform contractual agreements as originally written has been called into question. Ideally, parties to a contract can renegotiate the terms given the current uncertainty. Where the parties are not able to reach a mutual solution, analysis of the provisions of the contract is necessary.

Many contracts contain a force majeure clause, which generally outlines the situations where a party's performance under a contract may be modified or excused. It is intended to remove liability for natural and unavoidable circumstances that interrupt the expected course of events and prevent the parties from fulfilling contractual obligations.

In determining whether or not a contract is enforceable based on the COVID-19 crisis, a review of the specific force majeure provision within the contract is necessary. The first issue is to determine whether the language of the provision covers current events. This depends on the exact language of the particular provision as applied to the circumstances the parties are facing. The second step is evaluating what relief is possible under the provision. Is the party entitled to more time, a price adjustment, or can they be released from the contract entirely? The final issue is determining whether there is a specific process that must be followed to invoke the force majeure clause. Finally, if a contract does not contain a force majeure clause, other options may be available to excuse strict performance. A thorough analysis of the contract and the circumstances of the parties is necessary to determine the appropriate steps moving forward.

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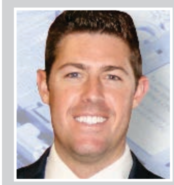
TECHNOLOGY

5 Ways to Give Your Business Flexibility Without Sacrificing IT Security



Scott M. Warner
Connecting Point

According to a Global Work-from-Home Experience Survey, it's estimated that 25-30% of the nation's workforce will be working from home on a multiple-days-a-week basis by the end of 2021. As businesses are adjusting to this new reality, it's important to have a technology strategy that allows businesses to be agile while maintaining the high level of security you need in your network.

Below are five easy ways you can give your business work-from-home (WFH) flexibility that promotes productivity while keeping your important business data safe from cybersecurity risks:

1. Invest in True Cloud-Based Applications to Run Your Business

Most businesses rely on at least one core application to run their business (such as accounting software like Quickbooks and customer relationship management applications like Salesforce). When choosing applications and digital tools, opt for the Software-as-a-Service (SaaS) model or applications that are truly web-based. Not only will this offload continual maintenance/support to the app provider, but it will simplify the environment and typically carry enhanced security features to safeguard your data.

2. Leverage Cloud-Based Platforms to Promote Communication and Collaboration for Teams

Solutions like Microsoft Office 365 and Google's G Suite for Business allow users flexible access to shared calendars, contacts, task lists, and documents, promoting seamless collaboration and communication across teams. These platforms also carry uptime guarantees that ensure your team has access to the tools you need and the cloud-based subscription model makes it easy to ensure the latest versions of applications across devices.

3. Replace On-Premise Phone Systems with UCaaS Solutions

Elegantly communicating with customers/colleagues regardless of physical location is becoming more important and UCaaS (Unified Communications as a Service) platforms (RingCentral, Jive, Teams, etc.) enhances collaboration and ability to feel like a team, even when not physically together in the office. Traditional premise-based phone systems are less flexible to provide a platform for rich communication (talk/text/chat/video/presence/content sharing). Additionally, desk phones and traditional phone lines aren't needed anymore permitting a decent internet connection.

4. Equip Teams with Flexible Endpoints

Laptops may be more expensive, but they are more flexible than desktops. As you evaluate your IT replacement cycle, replace desktop PCs with laptops to provide workforce flexibility.

5. Prioritize IT Security

Work with an expert who can help evaluate areas to enhance your business security posture. A layered approach to IT security is critical. Turn on 2-factor authentication on all critical apps (especially email), build a robust endpoint protection strategy (especially as users operate remotely, away from the company firewall).

While this is not a comprehensive list, taking these steps to secure email platforms, train users, and build a culture of IT security awareness to develop policy and procedure sets a minimum standard for WFH operation to yield a more flexible yet secure IT infrastructure. For more information and support, contact Connecting Point at 970-356-7224.

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BW HEALTH CARE

At dental clinics, the new rules have teeth

By Dallas Heltzell
news@bizwest.com

DALLAS HELTZELL/FOR BIZWEST
Dr. Ryan Bond, a dentist who practices in Longmont, has put safety protocols in place in order to operate in a COVID world.

Like all other businesses in Northern Colorado and the Boulder Valley, restrictions related to the coronavirus pandemic took a big bite out of dental clinics' revenue. However, when it came to protecting their patients and staff, dentists willingly put their money where your mouth is.

"We have had to turn everything on its head and consider everything, all of our processes," said Laura DePorter, co-founder and business manager at Mountain Ridge Dentistry in Berthoud.

Job 1 was curbing the spread of potentially virus-laden droplets the dentists call "aerosols" that are generated during oral procedures.

"We use a dry shield that hooks up to a central suction that we have," said Ryan Bond, owner of Bond Family Dentistry in Longmont. "It stays right inside the mouth, keeps the patient's mouth open and is constantly pulling all the liquid and aerosols into it, straight through the vacuum system. Anything that escapes that, the air purifier is running enough that it's cycling the air in the room every five minutes. So anything outside that should be captured and taken care of."

At Mountain Ridge, DePorter said a similar system is used on patients.

"They're no longer getting the water spray and using the suction," she said. "Everything having to do with creating aerosols has stopped, and there are no high-speed handpieces. We basically give what's considered an aerosol-free cleaning; we're calling it within our office a 'dry cleaning.' It makes sure there are no aerosols for the team member or the patient."

All the new equipment — air purifiers, N-95 masks, face shields and more — were expensive, and getting them often was challenging. Bond said he spent around $16,000 for the air purifiers and filters alone, "but we knew they were important and tried to get those as soon as we could."

"We had to search the internet for all these new pieces of protective equipment we need to wear," DePorter said. "We spent $4,000 to $5,000 just in the past couple of weeks on all the N-95 masks, gear and equipment we need to just to open back up."

"The state health department has revised its guidelines to where they're a little more reasonable," Bond said. "At first it was saying it was mandatory for things like shoe covers that we just don't have access to. They're not available."

Bond said he had to look for masks outside his normal supply route because the Federal Emergency Management Agency commandeered a portion of them. That makes what masks he could get that much more precious.

"We get these N-95 masks to last longer because we don't touch them without gloves on, we cover them with another mask, and we use face shields."

All those face coverings are hot, uncomfortable and make communicating with patients harder, Bond and DePorter said.

"It can be difficult for them to breathe and keep up the busy pace of their work, which can be very physical while having these restrictions," she said. "We've got face shields that will fog up when they're breathing and working, so it's been a huge adjustment."

That discomfort led Mountain Ridge to reduce frequency of scheduling so staffers would have time between patients to change their personal protective equipment and make sure any stray aerosols have time to settle.

At Bond Family Dentistry, nothing team members wear leaves the building, including shoes, Bond said. "Everything that's included is washed, and we cover our N-95 masks with another mask, a face shield and glasses. For us to have any exposure is going to be pretty minimal.

"We don't have our waiting room functioning anymore," he said. "People wait in their cars. We go and get them directly. We screen them by asking them questions, we take their temperature. Employees do the same thing when they come into work. We limit the amount of interaction in the hall, even. We try not to have patients crossing each other in the hall."

The biggest impact of a nearly two-month shutdown has been on revenue, but the Payroll Protection Plan loans through the Small Business Administration helped. Bond received $90,000 but said "being closed probably cost me as much as the loan I got" and DePorter's accountant was wary of spending any of the PPP loan Mountain Ridge received, just over $28,000, on anything other than payroll — not even rent — even though the practice lost potential revenue of up to $150,000. For a startup, that's pretty huge for us," DePorter said.

"Of all things we've spent during the past couple months, that loan was not really a concern to me," she said, "mostly because I never count on the government to give me anything so I wasn't even hopeful we'd get it, to be honest."

During the shutdown, Bond treated only emergency cases such as root canals and broken teeth, and DePorter said she was told "that if the patient wouldn't take up an emergency room in a hospital, we should not see them.

"It was a scary time, just because there was still a great lack of information about what we were dealing with and the guidance from above was really strict," said DePorter.

If a spike in COVID-19 cases this fall leads the state to order another shutdown, Bond said, "I'd petition against that. I don't think it's healthy for the economy as a whole." However, he added, he'd advise a new dentist to "plan on making some adjustments to the normal routine. Make it the new normal. It's inconvenient but it's also for safety."

DePorter agreed.

"I truly thought when we shut down that we'd be closed only for a week. So the surprise of it being extended for nearly two months was something that I guess I won't have to be surprised by again," she said.

"We always understood why we were shutting down, which was for the safety of our team and our community and our patients," DePorter said, "so I think we'd really have to focus on that part again — doing it for the greater good."

Lost job? 3 main insurance options still apply

By Dallas Heltzell
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It's an unprecedented situation.

One in four U.S. workers have filed for unemployment compensation since the COVID-19 pandemic began, according to federal Labor Department figures released May 28. Many of those workers who were laid off have lost their employer-provided health insurance and frantically are looking for options.

But despite the demand, insurance premiums generally haven't risen, and insurance providers say it's because fewer people are seeking care — either because doctors' offices and clinics are closed or have severely-restricted access, or because would-be patients are wary of contracting the potentially deadly coronavirus.

Benefits generally cease immediately when a worker is laid off, as opposed to a furlough, which basically is an unpaid leave of absence.

"What we've mostly been doing is furloughs" at the University of Colorado Boulder, said Ken McConnellogue, CU's vice president for communications, "so with furloughs, people are allowed to continue their health insurance. I'm not saying that we won't have layoffs, but right now, mostly for our employees, they're able to maintain their health insurance."

So what are the options for those who have lost their jobs? The same ones that existed before, said Mark Creek, a Longmont-based independent health-insurance broker:

- COBRA, which allows people to stay on their employer's benefit programs for at least 18 months.
- Individual health insurance through Connect for Health Colorado, the state health-care exchange set up under the Affordable Care Act.
- Medicaid, administered statewide by Colorado PEAK.

"A lot of people will go to Medicaid if they can," Creek said. "A lot of times, if you lose your job outright, the state will put you directly on Medicaid, so they'll try that first. Sometimes if they've had some income in the past — and it depends on your age, or how many are in your family — they may not qualify for it. But if they don't qualify for Medicaid, there's a good chance they'll get a tax credit, and that brings the cost of the insurance they can get on the exchange down a bit."

Open enrollment for plans under Connect for Health Colorado occurs at the end of the year, but the state reopened it during April to aid laid-off or furloughed workers. Even though that window closed April 30, Creek said, "If you lose your job and your coverage, that's considered a life-changing event and you can enroll."

Receiving coverage under Medicaid is generally quicker than going through the exchange, Creek said, "but it takes them awhile to get through on the phone and get the coverage. The faster way is to do it online."

Coverage under COBRA, the Consolidated Omnibus Budget Reconciliation Act, "is generally a lot more expensive," Creek said, but its out-of-pocket payments for health-care services generally are lower.

"If you're single and make less than $49,000 a year, there's a good chance you can get a tax credit to help pay for a plan on the exchange," said Creek, who helps clients navigate the various options. However, he added, those monthly credits vary widely.

"I had somebody yesterday, it was $13, and a week ago I had one that was $1,245," he said. "So it's a big difference. A lot of that depends on your age and what your income is. If you're close to the line where you get Medicaid but you're over it, you'll probably get a bigger tax credit."

Some employers are able to aid their laid-off workers by reimbursing some COBRA premiums or continuing their benefit programs even if they can't contribute to them.

The pandemic has brought several bits of assistance for laid-off workers seeking health coverage: the federal stimulus checks, which often amounted to $1,200, and the federal guidelines that waived the one-week waiting period for state unemployment benefits. The maximum jobless benefit has been extended from 26 to 39 weeks, in accordance with federal guidelines.

A big factor in which insurance option to choose is whether a person expects to be working again soon, Creek said.

An advantage for laid-off or furloughed workers, he said, is that they can cancel the temporary coverage at any time if they return to their previous job or get a new one with health-care benefits.

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HEALTH CARE

THE WINDSOR Independent Living Celebrates Its First Year


Lindsey Miller
Manager

The Windsor Independent Living Facility is conveniently located in the heart of Windsor at the corner of 14th and Main Street. The Windsor provides two different floor plans– one bedroom/one bath and two bedroom/ two bath.

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COLUMBINE HEALTH SYSTEMS

Lindsey Miller
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PAYROLL & WORKFORCE SERVICES

How Business Owners Are Reducing a Major Expense and Conserving Cash Flow


Zane Glover
Payroll Vault

With the uncertainty of what lies ahead, conserving cash is more important than ever for small businesses. Unfortunately, many business owners are paying workers' compensation insurance premiums on employees who are no longer working or working reduced hours.

Fortunately, there is a solution! Compared to paying your premiums based on your estimated annual payroll, Payroll Vault's Pay-as-You-Go option uses real-time payroll numbers to calculate your workers' comp premiums, resulting in more accurate premium payments. This means you are less likely to pay too much throughout the year or end up with an audit adjustment at the end of your policy term due to under-reported payroll.

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- You do not "guesstimate" what you think your annual payroll will be.
- You do not make premium payments based on that "guesstimate".
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- Once you have selected the company you would like to work with, Payroll Vault will set them up for reporting through payroll and will automatically report your actual payroll total to them after each payroll run.
- Your insurance provider will send you a withdrawal notification by email, letting you know the amount of the premium based on your actual payroll numbers. The premium is automatically drafted from your bank account a few days later.
- By using Pay-as-You-Go, your Workers' Compensation premium is based on your actual payroll and eliminates paying too much or facing a catch-up payment at the end of the year if you under/overestimated the annual payroll.

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HEALTH CARE

Hospice Care: What It Is and When It's Time


Nate Lamkin
Pathways

Contrary to widely held misconception, hospice is not focused on death and dying. Yes, our patients and families are coping with a terminal diagnosis, but our purpose is helping those in our care to live life to the fullest every day they have left. Dame Cecily Saunders, founder of the modern hospice movement, said it best: "You matter because you are you, and you matter to the end of your life. We will do all the we can not only to help you die peacefully, but also to live until you die."

Hospice is an interdisciplinary team-based coordinated care model for people facing a life-limiting illness. Hospice physicians, nurses, social workers, chaplains, certified nursing assistants, volunteers, and other support professionals embrace a holistic approach to caring for the patient and family's medical, emotional, and spiritual needs. In addition to these services, hospice also covers medications related to comfort and quality of life as well as any necessary medical supplies and equipment. Our team works closely with the patient and family to develop a comprehensive plan of care, uniquely tailored to their specific needs and wishes.

Over 20 years working in hospice care, the most common complaint I have heard from families is, "I wish someone had spoken to us about hospice sooner." If your loved one has a life-limiting illness and you see any of the following signs consider reaching out to hospice:

- frequent visits to the ER or hospital admissions
- a decline in their ability to perform daily tasks including eating, getting dressed, walking, or using the bathroom
- an increase in falls
- changes to their mental abilities
- progressive weight loss
- skin tears, infections, and other signs of deteriorating health

Regrettably, some patients who might have had many months of hospice services are not referred to hospice until days or even hours from death. While we can certainly row in at the eleventh hour and provide symptom management and support, patients and families in these circumstances miss out on the full richness of the hospice benefit. We are invited into people's lives and homes at a very vulnerable and precious time. Hospice was not intended or designed as crisis intervention; our services have maximum impact when the care team, patient, and family have time to get to know each other.

Talk with your care team about options and let hospice meet with you and see what they can do to help. Even if the patient is not yet eligible for hospice they would likely benefit from palliative care, a consult service available much earlier in the disease process. Palliative care offers symptom management, emotional support, advance care planning, and facilitation of goals of care conversations, and palliative care patients can still concurrently receive aggressive, disease-modifying treatment.

Pathways®

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Hospitals say they'll be ready for next wave

By Dallas Heltzell
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The region is in the process of returning to normal — or whatever the new normal will be — as the deadly COVID-19 pandemic appears to be waning thanks to a virtual shutdown of public gatherings.

But with nearly 1,400 coronavirus-related deaths statewide and more than 100,000 across the nation, the question looms: What if there's a spike in cases this fall?

Health-care executives in the Boulder Valley and Northern Colorado believe they're ready to face it, thanks to the lessons they've le arned this spring — some challenging but many surprising and gratifying. Most wondrous, agreed the hospital leaders who spoke May 13 at a BizWest "Front Lines" webinar, was the cooperation between otherwise fierce competitors.

"We've been on the phone with each other daily. This has really brought us all together," said Dr. Robert Vissers, president and chief executive of Boulder Community Health. "You're going to see a global health system that is better for it.

"I know there are a lot of people concerned about secondary surges," he said, but added that "we all believe that our monitoring is in place to see it coming a lot more quickly. We have the ability now to increase our capacity dramatically. So we're in a much better place than we were a couple of months ago, from equipment to capacity preparedness and to meet any future surge.

"At the end of it, we'll look back, despite the devastation, and see this as a success story."

"The collaboration between the hospitals, the cities and counties, and the communication has been great to see," added Kevin Unger, president and chief executive of UCHealth in Northern Colorado.

Dr. Andrew French, chief medical officer for Centura Health, offered examples: To meet the demand for personal protective equipment, Centura began producing its own gowns, and ended up making so many of them that it was able to supply them to other health-care systems. Team members also built their own equipment for mask reprocessing and sterilization using ultraviolet light.

At SCL Health's Good Samaritan Medical Center in Lafayette, president Jennifer Alderfer said staffers have sewed together more than 9,000 face masks using sterile wraps, have built their own face shields, and have converted traditional anesthesia machines to use as ventilators.

Margo Karsten, western division president for Banner Health, said her teams had developed cost-efficient employee screening processes that Banner can offer to universities and larger employers. "Reach out to any of us," she said. "We want to be a safe community."

ISOTCK IMAGE

Hospitals say they know what they'll have to do if the virus comes back in the fall.

Social-distancing requirements also fueled technological advances, the executives agreed, especially the use of "telehealth" and other forms of virtual connection between doctors, patients and families. French cited the case of a husband and wife who both were hospitalized for COVID-19 infection. They had to be housed in separate rooms, but could communicate with each other using iPads normally used for telehealth visits.

"Emotionally, socially and mentally," French said, "there's been some bright spots that will be helpful as we determine what the new normal is."

Increasing the number of virtual visits has helped hospitals alleviate the strain of crowding in emergency rooms and intensive-care units — and, French noted, a side benefit has been less need for doctors and nurses to change their personal protective gear between visits.

"We were able to double and triple our capacity in intensive care," Unger said. Before the onset of the pandemic, he added, UCHealth hospitals and clinics in the region recorded 110 to 120 virtual visits a week — but now it averages 4,000 virtual visits a day.

Alderfer said Good Sam held 70 telehealth visits in February but 6,500 in March. Instead of sit-down staff meetings, she added, they're now done virtually using Google Hangouts.

"Within UCHealth, we're doing things in weeks or days that used to take months and weeks," Unger said. "So everything has been very speeded up. I'm pleasantly surprised at the pace at which health systems can adapt and make things happen."

He also hailed the cooperation and generous aid his facilities have gotten from their surrounding communities.

"Businesses that I know are suffering have gone above and beyond to support our health system," he said. "Restaurants that I know are challenged just to make ends meet have been feeding our staff, which I know is much appreciated."

And internally, he added, "I have never heard during this pandemic anybody say 'That's not my job.' Everybody has stepped up in incredible ways."

Dealing with the pandemic also has led to some worrisome issues, the executives agreed, especially the fact that many non-COVID patients seem reluctant to come to the hospital for normal or acute care for fear of contracting the virus. "We're all starting to see the consequences of delayed care," Vissers said.

"ER volumes are down, and we're concerned about that," Karsten said. "People are delaying their care."

She said Banner Health has assembled on its website a list of precautionary steps it's taking at its facilities, adding that "If you come in, you're going to be safe."

Unger also noted an uptick in length of stay for patients admitted to the hospital. "COVID patients are more challenging to take care of and they are in the hospital quite a bit longer," he said. "It's very resource intensive."

Vissers also acknowledged the financial hit health-care facilities and their staffs have taken.

COVID has "highlighted some of the failures in our reimbursement model," he said. "Every one of us is going to have a really, really hard year economically. It's hard to think of a year where we've really stepped up to serve the community in a more meaningful way, but if this isn't a call for action and change, I don't know what is."

What worries Karsten most about the possibility of a surge in COVID-19 cases this fall, she said, is that "we don't know when they're going to happen. And what I'm curious about is a combination of flu and COVID and what that would look like for our community."

So before autumn, she said, "the best thing we can do as health partners is to educate the community. Let's get you super healthy this summer. Walk. Run. We don't want to see you tucked in our beds. And I think if we can do a full-court press on health providers, it'll help."

The biggest key to preparation, Vissers said, is to remember "all that work and preparation that we did beforehand, we all anticipate it doesn't go away and it will pay off."

Part of that success came from the spirit of cooperation among the region's health-care entities, Karsten said.

"We're going to have to keep these partnerships together," she said. "Our job, collectively, is to keep the community healthy and keep us safe. We can only do that working together, not competing around COVID — and then we can face the fall together in that manner."

BW EXECUTIVE HEALTH

Gyms face extra challenges from COVID

By Dan England
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ALI C. M. WATKINS/BIZWEST

Tom Forsyth, owner of Double Shot Printing LLC, formerly Team Tom Fitness LLC, sits on a resistance ball at the gym inside of the Greeley Mall on May 26

Craig Havekost is a masters bodybuilding champion and the owner of Prodigy Gym in Fort Collins, but after he reopened in the wake of the coronavirus, he gave himself another title: janitor.

Gyms, Havekost admited, are hard places to keep clean. People sweat and shower and use chalk and stuff. But now instead of giving training advice, or perhaps in addition to it, Havekost pledged to follow his customers around with a bottle of disinfectant.

“I’m the owner, and I’m willing to do everything it takes to make this work,” Havekost said.

It’s been insane, Havekost said with a grunt, since he opened May 1 under strict guidelines after nearly two months. He was by himself until he secured some government money and hired trainers to work with groups of four under the regulations (with 10 or fewer in the facility). He hoped to be host his regular hours of 5 a.m. to 10 p.m. soon (he might be now as you read this), but he was also contemplating staying open until 1 a.m. or opening at 3 a.m. to help cover the demand for one-hour shifts his customers have to book to work out. Once they do, they need to follow his trainers, with a little independence, both to follow guidelines and so he knows what to clean next.

"They have to be in the same room and work the same body part so I can clean when they are done," Havekost said.

Havekost admited to some frustration at the way gyms are perceived, even as he did admit they are harder to clean.

"We actually have much more control than any other business," he said. "We certainly do more than Wal-Mart or Kings Soopers. Fewer than 150 people are coming through my doors every day, and every single thing that gets touched is getting cleaned. You've got thousands going into those stores touching everything. I don't see the logic as to why gyms are so dangerous."

It's a confusing world, and some of the major gym corporations in Colorado, including Vasa and Genesis, didn't want to give specifics, though Genesis did say a reopening plan was on its website, and Vasa didn't have a plan as of yet (again, though, that could change by the time you read this). That's why some gym owners just, um, threw in the towel: Tom Forsyth of his Team Tom Gym in the Greeley Mall converted into a T-shirt printing shop now called Double Shot Printing. Team Tom also now operates as a personal training studio. All gyms operated that way as of May 1 until regulations are loosened a bit, but Forsyth doesn't plan to go back to a full gym operation.

> "We just want to ease back into things. I do know we are all really ready to start connecting again."
>
> Kaci Drury, Fit4Mom

His gym was established in 2011 and found some success, enough to cover free memberships to veterans and law enforcement officers. But it got tougher last year when 24-Hour Fitness opened up across the street from his parking lot and oil and gas workers moved out of town after those prices plummeted. The coronavirus was the last straw.

"I don't even have a clue as to what running a full on gym would entail with where we are right now," Forsyth said. "There's just no way the gym will recover from all that."

Kaci Drury began leading virtual gym sessions for her clients once COVID shut down her business, Fit4Mom. Drury hires moms to lead workout sessions for other moms and their kids. The virtual sessions over Zoom allowed her clients to see each other and stick to a schedule.

"I know for a lot of us, that's helping to keep us sane," Drury said. "We help keep each other motivated and accountable."

Drury and her other trainers used malls and parks as meeting places before the coronavirus, so it's possible that she could have continued on as normal (outside of the malls). But Drury didn't want to take any chances.

"Since we are a business, no one was supposed to be doing anything," she said. "We are just trying to be cautious. Our moms were more comfortable staying at home. We have some with pregnancies, and we all had kids or little ones."

Her roster of about 30 clients stayed stable, and Drury charged them all a mid-point fee, as she bases her fees based on how many times they attend per week. She hopes to get back out to the parks in June and use a combination of virtual and live workouts.

"We just want to ease back into things," Drury said. "I do know we are all really ready to start connecting again."

BW REAL DEALS

Developer proposes 1,240 homes next to proposed Montava site

By Dan Mika
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FORT COLLINS — An unknown developer is proposing a 1,240-home neighborhood on Fort Collins' northeast side, nestled in the southwest corner of the planned Montava housing development.

Dubbed the Mountain Vista development, the project would span 300 acres on vacant farmland south of Mountain Vista Drive, east of Turnberry Road and west of Giddings Road. It calls for 999 detached homes and 241 multi-family units, along with 21 acres for various commercial projects, according to project documents submitted to city officials.

The owner of the properties is K and M Co., which is registered to a P.O. box in Fort Collins, but lists Steve Schroyer as its representative. He has previously represented OtterBox founder Kurt Richardson's investment vehicle Blue Ocean Enterprises Inc. on redevelopment projects such as the rebuilt Windsor Mill.

Mountain Vista is directly south of the first area of construction planned for the 4,000-home Montava development. In questions to city staff, K and M suggested that it was interested in establishing a metro taxing district for the development and inquired about being able to use city water supplies instead of Boxelder Sanitation District.

Deciding whether the city or Boxelder would provide water was a major point of contention during city council hearings on Montava's master plan outline. K and M also inquired about the timeline of Montava's proposed infrastructure upgrades in the area.

The development is due for its first round of preliminary reviews on June 10.

COURTESY CITY OF FORT COLLINS
A concept map of the proposed Mountain Vista neighborhood in northeast Fort Collins.

COVID takes out potential buyer of Loveland building

By Ken Amundson
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LOVELAND — The COVID-19 pandemic has taken another victim, this time the primary prospect for redevelopment of the former Larimer County building at 201 E. Sixth St.

Kelly Jones, economic-development director for the city of Loveland, and Nathan Klein, broker with LC Real Estate in Loveland, reported to the city council in executive session last month that Logiq Health LLC, a Texas firm, had terminated its contract with the city as of Friday, May 15. The company, which provides an artificial-intelligence platform for remote patient monitoring, had planned to move its headquarters to Loveland.

The council had anticipated using the executive session to provide direction on contract negotiation but instead learned of Logiq's pullback.

The city has been working to find a buyer for the downtown property since at least 2015, with an eye toward adding workers downtown, who in turn patronize downtown businesses.

"We preferred having a corporate headquarters there and a company that could provide primary jobs downtown," Jones told BizWest.

She said the company, which operates in 26 states, had planned to not only have its headquarters there but also to open up shared spaces for collaborative health-care entities that want to operate together. "COVID turned that upside down," Jones said.

Please see Buyer out, page 25

KEN AMUNDSON/BIZWEST
The former Larimer County building in Loveland at 201 E. Sixth St. awaits a buyer.

PROPERTYLINE

Six-story affordable-housing tower proposed in FOCO

FORT COLLINS — A local affordable-housing developer has submitted plans to Fort Collins officials to build a six-story tower almost directly south of Old Town Square, which if built would become one of the tallest structures in the city's main entertainment district.

Proposed by Fort Collins-based nonprofit Housing Catalyst and dubbed Spark, the proposed building at 140 E. Oak St. would have 78 housing units and rise 71 feet tall, according to project documents submitted to the city.

Housing Catalyst operates 17 restricted-income apartment complexes around Fort Collins under the "Villages" name.

Tebo buys McGuckin distribution facility

BOULDER — Tebo Properties Inc., a major Boulder County commercial real estate firm, recently purchased the McGuckin Hardware distribution facility north of Boulder.

The roughly 52,300-square-foot building on about 35 acres at 6901 N. Foothills Highway changed hands last month for $4.8 million.

"We bought the facility because we need more warehouse space in our inventory," Tebo Properties owner Stephen Tebo said. "We've totally run out and have [no more available warehouse space] in Boulder at all. It was a good opportunity to buy [the McGuckin facility]."

Tebo called the situation a "win-win" for both parties because McGuckin doesn't require such a large storage center and can operate its distribution from a smaller warehouse.

A new tenant for the Foothills Highway space has yet to be identified

P66 developer scales back density, adds housing

LOUISVILLE — In response to community concerns over density, redevelopment plans at the long-dormant Phillips 66 site in Louisville have been amended to scale back the square footage occupied by office space, hotels, retailers and a senior-living facility. The revised plans also call for non-age-restricted residential units, a use not previously contemplated for the development known as Redtail Ridge.

Current plans call for a total of 5.22 million square feet of new construction, down from previous plans of 6.4 million square feet. Of that current total, 2.25 million is planned for office uses, 1.8 million for a roughly 1,500-home senior-living community operated by Erickson Living LLC, 200,000 for hotels, 70,000 for retail and 900,000 for residential rental units.

Medical-device maker Medtronic Inc. is expected to be the development's first major office user. The company is planning a $133 million, 500,000-square-foot corporate campus on 90 to 100 acres. The new facility would create 500 to 1,000 new jobs in addition to the existing 500 employees already working in Louisville, according to Medtronic director of construction and engineering services James Driessen.

Fort Collins' Hughes Stadium rezoning fails on tie

FORT COLLINS — After months of delays caused by three separate ethics complaints and the onset of the COVID-19 pandemic, the Fort Collins City Council voted against the rezoning for the Hughes Stadium property for residential development in an often-heated meeting and left the future of the property in limbo.

The council voted 3-3, with council members Julie Pignataro, Susan Gutowsky and Ross Cunniff in opposition. Mayor Pro Tem Kristin Stephens recused herself from the vote.

The council later failed to advance a motion directing staff to draw up plans to rezone the entire site to "residential foothills" designation, which would allow for low-density home construction. The city's Planning and Zoning Commission previously voted in favor of that instead of the mixture of "residential foothills" and a higher-density zoning as backed by city staff.

Miami-based home developer Lennar Corp. (NYSE: LEN) originally proposed building 600 to 700 homes on the 165-acre site that used to house Colorado State's football stadium nestled in the foothills near Horsetooth Reservoir. City leaders instead zoned the property with higher density to the east and lower density toward the foothills in a 4-3 vote in November, restricting the number of homes within the lots to 550.

City planner Cameron Gloss said CSU and Lennar remain willing to continue the sale of the property despite the widespread economic havoc spread across the world caused by the coronavirus.

Several Fort Collins residents in that area have fiercely opposed the development, arguing that it would trade away open space, wildlife habitats and unobstructed views of the foothills for houses they believe wouldn't help the city's home-pricing woes and cause undue traffic.

Before the discussion began, a third ethics complaint against council members was revealed to have been filed by resident Nick Frey, and several commenters said the board needed to delay the vote again to address the new complaint. Mayor Wade Troxell and Mayor Pro Tem Kristin Stephens, both employees at CSU in non-administrative roles, were accused of having a financial interest in the deal because the university is selling the property for $10 million.

Troxell did not recuse himself, saying the complaint was similar to the allegations he has been cleared of before, while Stephens did. Another resident demanded that councilwoman Emily Gorgol recuse herself because Stephens donated to her campaign.

At least two different citizens filed ethics complaints in previous months, which temporarily derailed the process. The first ethics complaint was in November against Troxell and Stephens. They were cleared of wrongdoing by their fellow councilmembers.

Three months later, another city resident filed a broader complaint against Troxell, Stephens and Summers, the latter being accused of being an active lobbyist while holding office. Summers was cleared of wrongdoing in early March, days before Gov. Jared Polis ordered residents to stay at home as much as possible to slow the spread of the coronavirus. That forced city leaders to delay the final vote for months as they figured out how to allow public comment during meetings.

Several residents also said the city was forcing them to put themselves at risk of contracting the COVID-19 virus by standing in line to speak. City officials required in-person commenters to stand in line with marked distances of six feet apart.

Rory Heath, the resident who filed the second ethics complaint, wondered Tuesday why the council would bring up a controversial piece of legislation when opponents will line up in person outside of the council's chambers to argue against it.

"We can't wait a couple more months until this gets better?" he said at the dias. "We're risking our lives for this? Unreal."

Several others asked the council to keep the space open, but to build a wildlife rehabilitation center on the land. Others said open spaces are the only way people are maintaining their sanity after months of COVID-related physical distancing have kept them from normal social life.

"How is selling the land to a developer, not even a local developer, benefitting our well-being?" resident Addy Draper asked.

Jonathan Bertram, an ecology researcher at CSU, said increasing density near wildlife areas is partially what led to COVID-19 developing from a solely animal-based virus into the contagion that has upended human life. He argued that bringing more people together puts the city at greater risk of spread during a future pandemic.

"By increasing the city density, we are increasing the risk to our citizens. That is the new reality," he said.

The rest of the council disagreed on larger philosophical points on how to lower housing prices overall within the city.

Gorgol said she kept her vote because the homes proposed by Lennar will cost around $250,000 to $300,000 per unit, which aren't considered affordable under the city's guidelines, but it would increase the overall housing supply. She also expressed disappointment at "disinformation" she believes was put out to make the council appear corrupt or against the protection of local wildlife.

"We're not voting for Lennar, we're voting for a rezoning," she said.

Summers agreed, saying there's still time in the future to debate the development plan for the area. He argued that the city council could be subject to a lawsuit by the Colorado Attorney General's office if they devalue the market value of the property.

"The property is a low-density neighborhood, the rest is (open space)," he said. "There's still the opportunity for a lot of open space."

Gutowsky voted no, saying there were too many negatives to the local parcels of nature, and the deluge of opposition from citizens made it clear they don't want it.

"We have to get past the notion that we can build ourselves into affordability," she said.

Cunniff argued that building any kind of housing doesn't help people of low socioeconomic status because they don't have the financial reach to live in high-priced homes. He said the homes would benefit high-income workers who can work from home and not workers in low-wage jobs deemed essential, such as meatpackers, grocery-store workers and public transit operators.

"That (economic inequality) is a parallel to housing prices in Fort Collins, and Boulder, and in San Francisco and the Bay Area, and Manhattan and Brooklyn," he said.

Buyer out, from **24**

The company also would have designated some of the space for mixed use — office and retail, mainly. Logiq was unsure how COVID would change those business sectors.

With its business plan disrupted, Logiq decided to pull out of the deal.

The city had advertised for "expressions of interest" late last year with bidding closed on Jan. 15. The city reviewed five proposals submitted and settled on Logiq.

"There were other bidders, and they were all good bids," Jones said. But the city signed an initial agreement with Logiq on Feb. 4 and extended that once as terms were negotiated. Friday was the final deadline for the company to commit or terminate.

The city will attempt to re-engage with the other four bidders, Jones said, and if unable to restart interest from them, will reopen the bidding process.

The county building was originally constructed to house the Loveland Public Library. Larimer County purchased the building after the library moved out and continued to operate there until it built a new county building at 200 Peridot Ave., just off East First Street.

A year ago, LPR Construction pulled out of a potential deal with the city. LPR, a part of Longbow Industries LLC, said escalating costs to renovate the building to meet its needs plus objections from Loveland's mayor about the building price and deal details factored into its decision to pull out.

BRIEFCASE

MERGERS & ACQUISITIONS

Apttus to acquire Conga for reported $715M

BROOMFIELD — Apttus Inc. has announced its intention to acquire Broomfield software company Conga to stake a larger claim with sales automation customers, particularly within Salesforce Inc. (NYSE: CRM).

In a statement, Apttus, which is backed by private equity giant Thoma Bravo, would create a $400 million in revenue company. The two companies did not disclose the price of the deal, but Bloomberg cited an anonymous source saying the deal is worth $715 million.

The combined company will run under the Conga name, with Apttus CEO Frank Holland taking over the top job and Conga CEO joining the combined firm's board.

Dairy Farmers closes purchase of Meadow Gold plant

GREELEY — The Meadow Gold dairy in Greeley is under new ownership after the Dairy Farmers of America completed its purchase of the plant from the bankrupt Dean Foods Co. (NYSE: DF) last month.

The Kansas City, Kansas-based farmers cooperative closed the purchase of four properties in east Greeley comprising the dairy for a combined $4.13 million on May 12, according to Weld County property records.

That amounts to about a 15% discount over county officials' last estimated value of the properties.

DFA won a bankruptcy auction of Dean Foods' assets in March, agreeing to acquire 44 plants across the country for $443 million. The purchase also includes a sister Meadow Gold plant in Englewood, but that property is still owned by Dean Foods as of Wednesday, according to Arapahoe County property records.

Independent Financial axes merger with Texas Capital due to COVID

DALLAS and MCKINNEY, Texas — Independent Bank Group Inc. (Nasdaq: IBTX), the parent company of Guaranty Bancorp, is ending its merger with Texas Capital Bancshares Inc. (Nasdaq: TCBI) as economic uncertainty from the COVID-19 pandemic continues to manifest.

In a statement, Independent said the all-stock deal with Dallas-based Texas Capital was no longer tenable due to the "extreme and unpredictable economic conditions" created by the pandemic.

Neither side is liable to pay a termination fee.

The two companies originally announced their planned tie-up in early December, which at the time was expected to create a new entity with a market capitalization of $5.5 billion and more than $48 billion in assets. The merger was expected to close in mid-2020.

EXPANSIONS

General Cannabis stage set for takeover of Boulder grower

BOULDER — Colorado's Marijuana Enforcement Division recently granted Denver-based General Cannabis Corp (OTCQX: CANN) approval to acquire other marijuana firms operating in Colorado, setting the stage for the firm to complete its takeover of Boulder cultivator SevenFive Farm.

General Cannabis first announced it would acquire the 17,000-square-foot grow facility in January. Terms were not disclosed.

"This critical approval from the state of Colorado puts our company in a unique market position," General Cannabis CEO Steve Gutterman said in a written statement. "Our strategy is centered on capitalizing on the significant roll-up acquisition opportunities in the Colorado market, and that includes a pipeline that General Cannabis has been building since we launched our strategy in 2019."

Emerson accepts incentives, will bring 250 jobs to Boulder

BOULDER — Emerson Electric Co. (NYSE: EMR), which operates subsidiary Micro Motion Inc. in Boulder's Gunbarrel neighborhood, will expand its operations there with the addition of 180,000 square feet and 250 new jobs, the Colorado Office of Economic Development and International Trade announced.

Emerson, which has about 600 employees locally, will invest $100 million in the Boulder expansion project and recently accepted a nearly $4.3-million tax incentive package from the state.

The Colorado Economic Development Commission approved the package last year, but the applicant was unknown.. BizWest speculated at the time that Emerson was the applicant.

The expansion "includes an 85,000-square-foot laboratory and manufacturing facility to design and develop products, technologies and software that measure and control the flow of material in a manufacturing process," according to an OEDIT news release.

San Diego ad firm opens Boulder division

BOULDER — Fidelitas Development LLC, a San Diego-based advertising and marketing firm, is opening a new division in Boulder.

Known as Fidelitas+Ignis, the new division "is focused on helping clients with six- to eight-figure annual digital advertising budgets scale their campaigns while maintaining a desirable ROI," according to a company news release.

The Boulder office is home to five employees.

Loveland CarMax property sells for $7M

LOVELAND — The CarMax Inc. (NYSE: KMX) location in Loveland was sold last month for $7.075 million, but the dealership intends to stay on the property.

A subsidiary registered to Lakewood resident Richard Ross bought the underlying property at 3760 Byrd Drive from a subsidiary registered to American Eagle Properties Inc. president Jerry Helgeson. The deal closed May 15.

The parcel last changed hands in 2015 for $6.765 million, according to Larimer County property records. County assessors last valued the land and buildings at $3.88 million.

Jax closes on Loveland Kmart property for $5M

LOVELAND — Jax Inc. has completed its purchase of the former Kmart location at 2665 W. Eisenhower Blvd. in Loveland and has begun work toward an Aug. 1 opening of the new location.

Jax used subsidiary Jax Loveland West LLC to purchase the property on April 24 for $5 million from AKMS LP, the previous owner. Jax will retain its existing store at 910 E. Eisenhower Blvd. but will convert that store to a farm specialty store, said Jax president Jim Quinlan.

The new Jax will be expanded in both space and its product lines. "We're adding bicycles. We'll have an ice cream bar, a full-line hardware department, farm stuff and outdoor gear," he said.

OPENINGS

State officials give Larimer partial variance to reopen

FORT COLLINS - Larimer County's request for a variance from Colorado's continued business closures was partially approved by state regulators, allowing gyms to reopen.

The variance goes into effect immediately, allowing indoor malls, restaurants, gyms, theaters, bowling alleys, pools, libraries, hotels and some other previously closed enterprises to start operating again.

All of those businesses are required to maintain social distancing and are limited to half of their usual permitted occupancy or 175 people, whichever is lower.

Signs point to resurgence in home sales

COVID-19 drives down sales

The state's Safer-at-Home order has affected Northern Colorado's real estate market.

	Homes sold 2020	Homes sold 2019	YOY %	Under contract 2020	Under contract 2019	YOY%	New listings 2020	New listings 2019	YOY%
Northern Colorado MLS Total	877	1555	-44%	2165	2082	4%	2224	2402	-7%
Fort Collins	119	181	-34%	294	274	7%	283	343	-17%
Loveland	63	112	-44%	181	163	11%	186	208	-11%
Greeley Evans	83	174	-52%	233	202	15%	203	182	12%
Longmont	78	129	-40%	153	165	-7%	155	185	-16%
Boulder	53	135	-61%	146	166	-12%	234	229	2%

Source: The Group Inc. Real Estate

RESIDENTIAL REAL ESTATE
BRANDON WELLS

Across the country, real estate statistics this spring are sobering — although we can't say surprising. The pandemic has squeezed home sales, particularly in the West.

Nationally, home sales in April dropped 17.2% compared to April 2019. And among the four regions of the United States, the Western states experienced the largest decline, off 27%. The month-over-month comparisons (from March to April) were similar, with national sales down 17.8% and Western sales down 25%. Locally, Northern Colorado results were mostly in line with the rest of the West, with April closings down 24%.

To look at these data points, it would be easy to think real estate will continue to stagger through the summer. In fact, May figures are pointing to a turnaround.

On May 3, Colorado returned to in-person home showings under the new "Safer at Home Order" with new guidance for Realtors and clients. In the three weeks that followed, we saw home showings in Northern Colorado rocket back to levels on par with May 2019.

What it shows is that real estate markets in our part of the state continue to be incredibly resilient. Thanks in part to stable and historically low interest rates, buyer demand remains robust in this region. It also seems that many of us, cooped up in our homes for more than a month, are realizing which features and amenities we most want in our homes, and it's time to go out and get it. And with smart investments made in real estate over the last decade, many have built equity positions — and responsibly managed that equity — to afford those opportunities today.

To get a better sense of the resurgence in the Northern Colorado marketplace in May, consider what's happening with home demand. Through May 25, properties under contract increased from 2,082 in May 2019 to 2,165 this year, an increase of 4%. At the same time, the inventory of new listings is down 7%, from 2,402 in May 2019 to 2,224 this year.

The combination of these two statistics continues to make inventory scarce, as we are not bringing enough properties to market to satisfy demand. But on balance, it's indicative of the continuing strength of the Northern Colorado housing market.

And while showings across Colorado were down slightly from May 2019 levels, our internal tracking finds that Northern Colorado — and The Group specifically — are reporting showings in line with last year at this time. This leads me to believe Northern Colorado is stronger than the state as a whole, or other areas of the state, for reemergence of the real estate landscape and economy.

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

BW ECONOWATCH

‘Pretty sickening numbers’ mar economy

By Lucas High
lhigh@bizwest.com

It’s difficult to overstate how different the world is now compared with Jan. 22, when Rich Wobbekind last took the stage at BizWest’s Economic Forecast to deliver his prognosis for Northern Colorado in 2020.

At the time, there wasn’t a whiff of a recession in the air. Now, entire swaths of the economy have been shut down for weeks, unemployment has rocketed past record highs set during some of the nation’s darkest economic times, and COVID-19 has taken the lives of more than 1,300 Coloradans.

Wobbekind, senior economist and associate dean at the University of Colorado Boulder Leeds School of Business, and Leeds Business Research Division executive director Brian Lewandowski joined Bank of Colorado president Shawn Osthoff and The Group Inc. president Brandon Wells to revise pre-COVID-19 predictions and provide an Economic Forecast 2.0 — an especially onerous task given that the full impacts of the coronavirus and the worldwide economic shutdown could take years to reveal themselves.

“These are pretty sickening numbers,” Lewandowski said of key economic indicators such as the unemployment rate.

The current economic collapse has been particularly jarring because so few people saw it coming. The fundamentals of the economy, which had been humming for a decade, remained strong as the virus first began its spread.

“Leading into this pandemic, banks had the best asset quality they’ve had in 30 years,” Osthoff said.

Wobbekind said the “national economy and state economy were on really strong footing and because of that we were going to have a very good year.”

The good news, Wobbekind said, is that after about 10 weeks of economic shutdown and unprecedented job losses, “we’ve potentially seen the worst of this.”

While the COVID-19 blow was devastating, it could have been worse if business and government leaders failed to make certain moves such as implementation of the Paycheck Protection Program, forecast participants said.

“Federal policies have helped mitigate the impact,” Wobbekind said.

Osthoff praised local banks’ response to the crisis and the subsequent disbursal of PPP funds.

Colorado’s community banks, which were responsible for disbursing more than 60% of first-round PPP funds, “really stepped up” and served as “first responders,” he said. The cash injection helped small businesses “survive and fight another day.”

The PPP process, however, left a bit to be desired, Osthoff said, noting the “clunky approval process” and lack of clarity on rules and guidelines as hurdles.

In addition to the CARES Act and PPP, the federal government has kept interest rates at historic lows.

This ultra-low interest rate environment is a boon for real estate purchasers, but it puts the squeeze on banks, forecast participants said.

“Low interest rates result in low net interest margins. That’s the primary driver of profitability for banks,” Osthoff said. “… As our net interest margins compress, our profitability compresses. We’re starting to see some of that. … These interest rates really put the hurt on profitability for banks.”

From March 25 through May 3 — the duration of Colorado’s stay-at-home order — listings across Northern Colorado decreased 31%, homes sold were down 24% and homes under contract were down 46%.

The stay-at-home order “had quite an impact” on residential real estate “because we weren’t allowed to do in-person showings,” Wells said.

Nationwide, homes sold dropped only 17% in April. Wells attributes this discrepancy to Colorado’s relatively early stay-at-home order.

Despite the slowdown, “we’re still seeing strong pent-up demand, and we still sold quite a few properties across the region even without in-person showings,” Well said.

In Northern Colorado, the total number of homes under contract from May 3 through May 25 is actually up compared with the same period in 2019.

“We’re actually outperforming 2019’s market as we’ve allowed showings and the pent-up demand has surged,” Wells said.

That demand, coupled with Colorado’s continued short supply of homes, could allow for the residential real estate industry to achieve a V-shaped recovery, he said.

Investors may flock to real estate during the economic downturn as a shelter from volatile assets such as stocks, Wells said.

“We believe that residential real estate will be a leader in terms of pulling the economy out of this pandemic,” Wells said.

During the Great Recession, commercial real estate rebounded quicker than other assets types, Osthoff said.

“We’re hoping we don’t see the drop [in commercial real estate prices] this time around,” he said. “And if we do see any kind of drop in valuationation, we’ll see a quick rebound.”

Other industries have been harder hit and will likely recover much more slowly than commercial or residential real estate.

About 65% of all initial unemployment claims since mid-March came from workers in just a handful of industries: hospitality, retail, health care, entertainment and other services.

Still, “no area [of the economy] has been left untouched,” said Lewandowski, who is predicting 125,000 lost Colorado jobs in 2020.

“How quickly can some of the laid-off or furloughed workers get back to work?” Wells asked rhetorically. “… Time will tell — I don’t think we’ve seen the end of this. There will be some continued impacts, but there’s also going to be some opportunities that come as a result.”

Work-life balance, from **7**

you can and try to keep your normal practices and habits in place,” Golden said.

Lisa Downer, founder of #NOCOStrong and owner of Fruition Media and Marketing, has found that she had to scale back her work to provide home schooling for her three children. She often works in the evenings and in her spare time with the result that she has to be more efficient with her time.

“Other women I’ve talked to who work from home have had to put their work aside until the kids are out of school,” Downer said.

Those who are still able to work have had to be more creative in how they conduct business, such as by engaging in more virtual meetings instead of meeting in person, though it does remove some of the interpersonal communications, Downer said.

“We’re also probably working more hours because it’s in front of us all the time,” Downer said. “That happens when you’re at home, you never turn it off because it’s at your access.”

Ann Baron, chief executive officer and organizer of Northern Colorado Community, shifted from in-person meetings to more phone calls, emails and Zoom chats. She hosts a weekly Zoom session for the 70 members of her networking group and a weekly lunch ’n learn, also on Zoom. She wants to make sure her members are doing OK and to offer them encouragement and support. She also shows her appreciation for them by sending out one thank-you card a day.

“Most of us meet people in networking situations,” Baron said, adding that during the stay-at-home and safer-at-home orders, “it’s challenging to meet new professionals if you’re trying to meet other people you haven’t met or networked with before.”

VC prize, from **6**

the potential career and helps students plan how to navigate the path.

The company has contractual relationships with about 200 high schools and 25 colleges in 17 states. Its 10 employees have conducted about 100,000 assessments of individuals and have trained about 5,000 educators, she said.

A self-described “farm girl from Michigan,” Smith said she didn’t know what she wanted to do with her life upon graduation from high school. She graduated from American University with a bachelors in international studies and earned a masters from Georgetown University in communication. Her work prior to founding Indigo was with a global women’s right’s organization, in personal development, coaching and consulting for companies.

“My first love is working with middle school and high school students, especially the disadvantaged. They grew up believing that they don’t have a place in the world,” she said.

As a result of that concern, Indigo Education has both for-profit and nonprofit divisions. The nonprofit is called Indigo Impact Initiative, a 501(c)3.

“We don’t want cost to be a barrier to this,” she said. If a constituency is unable to pay for the company’s services, the nonprofit arm finds a way to make it available.

Indigo was designed to shift away from standardization in education and to capture “a multi-dimensional view of the individual,” she said.

Smith pitched the company’s newest version, called the Indigo Pathways App, which provides a personalized pathway to careers.

Smith has lofty goals for the coming year. “We’re hoping to double our revenue and employee base in the next year, but it’s hard to sell in this environment” when schools are closed, she said.

The rise of virtual in real estate after COVID-19

It is evident that the world was woefully unprepared for a pandemic like COVID-19, and local real estate was no exception. COVID-19 wrought fright, confusion, and uncertainty on buyers, sellers, real estate agents, and legislators, as everyone tried to discern how best to navigate the crisis unfolding before them. Many contracts to buy and sell real estate that were then in-process fell through or were renegotiated, and the legal fallout from that may stretch on for years.

BOULDER VALLEY REAL ESTATE
JAY KALINSKI

And yet, life marches forward, and people continue to need to move and buy/sell real estate, so all of the players have learned to adapt in order to help people move on with life. Some of these adaptations will likely become enduring features of the new normal, while others may fade with time. The following is a brief look at some of the most prominent trends to emerge from this pandemic and whether they are likely to last.

The real estate industry has been notoriously slow to modernize its practices, but one surprising benefit of the pandemic is that it appears to have pushed the industry into the 21st century.

1. Marketing. Before COVID-19, a small minority of properties were marketed using 3D technology, relying instead on photos and, perhaps, static floor plans. Now, however, virtually every buyer expects (and sellers demand) an immersive 3D tour of a listed property. Pre-pandemic, buyers would likely visit many homes in-person before deciding on which home to make an offer. Now, buyers are almost certain to "tour" a number of homes virtually and then select the one (or few) that they actually want to see in person. We are even seeing this trend emerge in commercial real estate, as being able to tour a property virtually can save companies time and money in assessing whether a potential commercial space will fit their needs.

This 3D marketing trend will almost certainly continue for the duration of the pandemic, but it is less clear if it will continue after or slowly fade back to "normal" as people begin to feel safer again.

2. Remote transactions. Before this pandemic, a large portion of a real estate transaction could be accomplished electronically, with agency agreements, purchase contracts and property-related disclosures all commonly being signed electronically. However, when it came time to close the transaction, the parties still had to physically attend a closing and physically sign documents in front of a notary public. This was the case for two primary reasons. First, Colorado's previous attempts to pass remote notarization legislation, which would have removed the requirement of physical presence and allowed parties to sign documents via the internet, never made it through the legislature. And second, many lending institutions continue to require physical "wet" signatures and in-person notaries to minimize the potential for fraud. To solve the first problem, Gov. Polis signed an executive order allowing remote notarization. However, as we soon learned, even with remote notarization now allowed, lending institutions (inexcusably, in my view) persisted in requiring in-person physical signatures. Thus, we experienced the phenomenon of "curbside closings," wherein the parties would drive to the title company and sit in their cars while a notary in a mask and gloves would hand them the document, watch them sign, and then notarize their documents. Having witnessed such "curbside closings," which are clunky and awkward, I can predict that buyers and sellers will demand that the government and lending institutions allow fully remote closings in the future. Once in place, I believe this trend will be here to stay because it is vastly more convenient for people.

3. Shifting consumer preferences. With most employees (those fortunate enough to keep their jobs) being forced to work remotely, many people and companies have discovered that, not only do they like working from home, they can actually be more productive. As a consequence, an emerging trend we are seeing is that buyers are looking for homes with an office (or workspace) more than before. And they also seem to be favoring rural (i.e., private space) over dense and urban. This may also portend a coming shift in the commercial office market, as companies realize that they can get by with much less space than before. This trend is likely to continue as more people become accustomed to being productive from home; however, the strength and reach of this trend will be limited by the fact that some jobs can be done only in person and more space at home costs more money, so not everyone will be able to realize this desire.

These are just a few of the trends emerging from the COVID-19 pandemic, and it is likely that others will develop as things continue to unfold. It will behoove buyers, sellers, and landlords to track these trends carefully to best position themselves for the future.

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

BW COMMENTARY

Congress should extend Paycheck Protection Program to chambers, visitors bureaus

As the COVID-19 pandemic wreaked havoc on the economy, business organizations throughout the Boulder Valley and Northern Colorado have stepped up to provide information, resources and assistance.

• The Fort Collins Area Chamber of Commerce created an "Open for Business" page on the organization's website to post information about businesses' hours and services. The group also provides key information about U.S. Small Business Administration loan programs.

• The Boulder Chamber created a "COVID-19 Community and Business Resources" page with updates on governmental guidance for business operations, resources for working remotely, child care, unemployment and many other programs.

• The Greeley Area Chamber of Commerce created a page with links to organizations helping with COVID-19 recovery, as well as guidance for reopening of businesses, economic outlook and other topics.

• The Latino Chamber of Commerce of Boulder County likewise posted a wealth of information for businesses.

Such outreach has been duplicated by chambers of commerce in Broomfield, Longmont, Loveland and many other communities.

That's why it's so unfair that 501(c)6 organizations — a designation shared by chambers of commerce and visitors bureaus — have been excluded from enrollment in the SBA's Paycheck Protection Program.

Chambers of commerce and visitors bureaus come in all shapes and sizes, but all have been affected by COVID-19. Networking events, conferences and in-person awards programs serve as key fundraising mechanisms for these organizations. Governmental restrictions aimed at combating COVID-19 have prohibited such physical events, and much uncertainty exists about when that will change.

Additionally, economic woes have caused some chamber members to go out of business, with others cancelling their memberships.

It's created a huge economic challenge for chambers of commerce and visitors bureaus as they attempt to weather the COVID-19 downturn.

For Congress to have excluded 501(c)6 organizations from the PPP, while other nonprofits are eligible, was an enormous mistake.

Thankfully, an option exists to right the wrong. A bipartisan group that includes U.S. Rep. Joe Neguse, D-Colorado, has co-sponsored the Local Chamber, Tourism and 501(c)(6) Protection Act in the U.S. House of Representatives. The measure would extend PPP eligibility to such organizations. Importantly, it would exclude coverage of salaries of paid lobbyists for those organizations.

But it would also provide these organizations with bridge financing to get past the COVID-19 downturn.

Chambers of commerce and visitors bureaus play an important role in our economic recovery. Congress should ensure that they receive the help they need.

What's next for retail apocalypse?

PUBLISHER'S NOTEBOOK
CHRISTOPHER WOOD

Nordstrom Inc. announced in early May that it would close 16 locations nationwide, including its store in Broomfield's FlatIron Crossing mall.

Pier 1 Imports Inc. will wind down its retail operations, closing all stores nationwide, including stores in Fort Collins and Loveland. (The Boulder store was already announced for closure prior to the pandemic.)

JCPenney filed for Chapter 11 bankruptcy protection and will close 192 stores — 30% of its footprint — by the end of the year. It's unclear whether that will include stores in Fort Collins or Greeley.

Tuesday Morning Inc., a discount home-goods retailer, also filed for Chapter 11 bankruptcy in late May, announcing plans to close 230 stores, more than a third of its outlets. The chain, which operates in Fort Collins, Johnstown and Longmont, has not yet announced the locations to be closed.

Prior to the COVID-19 pandemic, Macy's Inc. announced plans to redevelop its store in Boulder, transforming most of the property into office space. It also has sold its Fort Collins building but says that store will remain open.

Many other closures have been announced in recent months. The long-described retail apocalypse is real, and it's accelerating. Retailers for years have struggled to adapt to changing consumer shopping habits, with online outlets such as Amazon taking large shares of retail sales.

Now, with COVID-19 disrupting the global, national and local economies like nothing before it, retailers that already were struggling have been tipped over the edge. University of Colorado Boulder economist Brian Lewandowski said during a recent BizWest webinar that national retail sales among clothing stores had plummeted by almost 90% during March and April, with furniture and home-furnishing sales down almost 70%. The only segment that had seen increased sales was grocery stores, as shoppers stocked up on food and other supplies.

Some retailers, such as Pier 1, will be gone for good. Others might live on, but in a reduced size.

Retailers large and small now must adjust to a new reality, even as states such as Colorado begin a partial reopening. Consumers are hesitant to venture out. Restrictions continue to be in place, with retailers limited in terms of the number of customers who will be allowed in a given location. Face masks are mandated in many locations around the country. Retailers are shifting to touchless transactions. Shoppers must maintain social distancing.

When even national brands are struggling, what will be the fate of smaller, local retailers? We've already seen some small businesses shut down for good. Others are teetering on the brink, as they work through Paycheck Protection Program funds yet still are not able to fully reopen.

Inevitably, many more will succumb to the pandemic.

If a vaccine against the COVID-19 virus is developed soon, say, by the end of this year or early next year, those retailers that are well-capitalized, develop a solid online presence and make sure that customers feel safe in physical locations might be able to survive.

But it's going to be a struggle, even in the best of circumstances, and retail will never be the same.

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Drillers, from **12**

potential long-term value.

"If you think about how cheap some of these stocks are, you might not see this again for a while," she said.

Local toll

Most oil leases pay royalties based on the volume pumped out of the property. Since demand is so low, refiners aren't buying as much crude oil, which in turn led to the virtual game of musical chairs in the market on April 20 where traders brought prices negative as they tried to avoid being forced to take delivery of their oil positions.

That gives operators less reason to keep pumping in the Denver-Julesburg Basin, meaning mineral rights holders won't make as much as they did before. It also means rigs aren't drilling, which means the businesses that survived by providing food and services to drilling crews suddenly don't have their normal set of customers.

"That's meaningful, because these restaurants that had to shut down, when they turn back on, is anyone going to be there? Or the number of people who were supporting these rigs, are they still going to be out there?" she said. "They're definitely not."

In bankruptcy cases, Hughes said mineral rights owners are typically paid in full, although they may be subject to a clawback rule where a bankrupt company can recover any payments on debt it made in the past 60 to 90 days to shore up its ability to keep operating during the restructuring period.

"If you ignore a proceeding, you do so at your peril, because there's a whole lot of boilerplate that gets thrown into these things, and for clients, that can substantially affect your rights," he said.

One on One, from **8**

about how to support small businesses, restaurants and the many employers in Boulder. We appreciate the community's patience and look forward to showing our love and support for the many businesses that help make Boulder such a vibrant, special place.

BW: Prior to the COVID outbreak, some members of the business community raised concerns about the length and cost of the development review/permitting process in Boulder. What do you think the city can do to alleviate these concerns?

Brautigam: The city of Boulder recently re-structured to create a Planning and Development Services Department with a commitment to operational excellence. With this commitment, staff has been focusing on clarifying and streamlining decision-making, work prioritization and project implementation. The goal is to create consistent and predictable processes and systems that provide a high level of service to all community members, including business owners.

Because the pandemic occurred shortly after this organizational change, most of this work to date has occurred in the context of COVID-19. Staff has implemented pilot programs including permit streamlining and removals of barriers that could be extended if they prove to be viable and valuable to our community.

Even more specifically, I am pleased to share that during the past few weeks our permit review team has dedicated itself to issuing permits as quickly as possible. The team successfully met a significant milestone of improving our review time by two weeks. This was an outstanding effort — one that I hope will create increased community confidence in our services and processes.

Elective, from **15**

care, the minimum staffing that comes with some of the areas that just have to stay open even when there's no volume," he said.

State funding to drop?

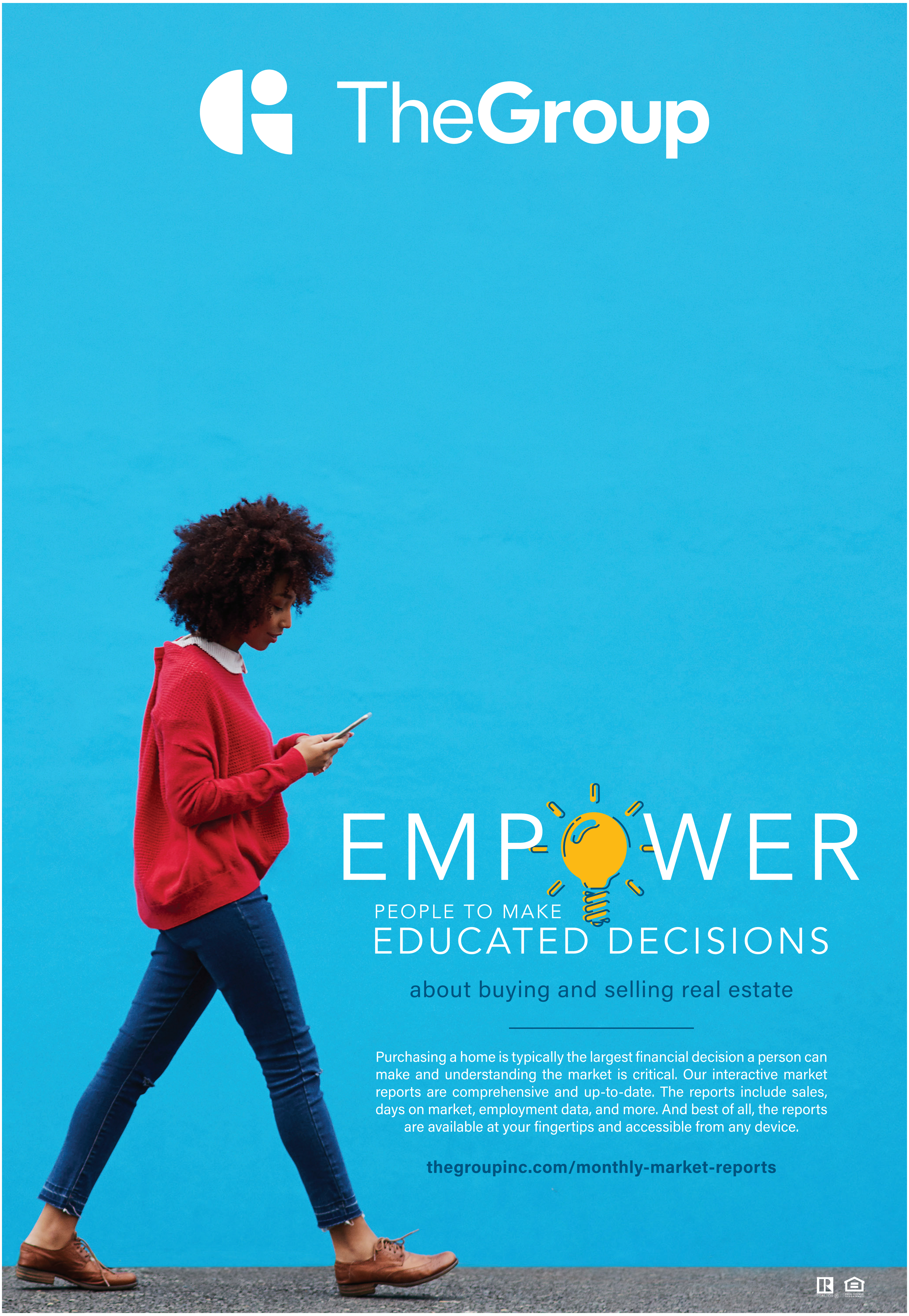
Colorado legislators are scrambling to cut more than $3 billion from the state's budget caused by the loss of tax revenue from stay-at-home orders and business shutdowns, and are all but certain to cut into health-care spending as part of a broad budget balance push. In particular, the Joint Budget Committee has recommended reducing the provider rate it pays to hospitals as part of its Medicaid expansion by 1%, which would save the state an estimated $30 million.

The committee also suggested taking $160 million in fees paid by hospitals that are redistributed to other health-care providers covering higher numbers of uninsured and Medicaid patients and rerouting it to the general fund.

Those proposals have yet to be debated among lawmakers as of May 28.

Huff said that uncertainty over state funding is what worries him most, especially as many of Banner's hospitals serve a higher proportion of Medicaid patients or uninsured patients whose treatment may later be written off.

"We're already seeing increases to the tune of multiple percentage points of increases in self-pay or uninsured (patients)," he said.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