City of Louisville
COLORADO • SINCE 1878

City Council
Economic Vitality Committee

Meeting Agenda

Thursday, March 6, 2025
City Hall
749 Main Street
3:00 P.M.

Members of the public are welcome to attend and give comments remotely; however, the in-person meeting may continue even if technology issues prevent remote participation.

- *You can call in to +1 346 248 7799 or 833 548 0282 (toll free)*
  Webinar ID #838 1396 0621
- *You can log in via your computer. Please visit the City's website here to link to the meeting: www.louisvilleco.gov/council.*

The Board will accommodate public comments during the meeting. Anyone may also email comments to the Board prior to the meeting at VZarate@LouisvilleCO.gov.

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of February 21, 2025 Meeting Minutes
5. Public Comments on Items Not on the Agenda
6. Business Matters
   a. Business Beat Discussion
   b. Incentive and Programming Discussion
   c. Staff Updates
   d. Development Updates

Persons planning to attend the meeting who need sign language interpretation, translation services, assisted listening systems, Braille, taped material, or special transportation, should contact the City Clerk's Office at 303 335-4536 or MeredythM@LouisvilleCO.gov. A forty-eight-hour notice is requested.

Si requiere una copia en español de esta publicación o necesita un intérprete durante la reunión, por favor llame a la Ciudad al 303.335.4536 o 303.335.4574.

7. Adjourn

City Council
Economic Vitality Committee

Meeting Minutes

Thursday, February 13, 2025
Regular Meeting

Meeting cancelled due to no quorum. The meeting will be rescheduled for Friday, February 21 at 1:30 PM.

City of Louisville
COLORADO • SINCE 1878

City Council
Economic Vitality Committee

Meeting Minutes

Friday, February 21, 2025
Regular Meeting

1. **Call to Order:** Mayor Leh called the meeting to order at 1:36 PM.

2. **Roll Call:** The following members of the City Council were present: Mayor Leh, Councilmember Fahey and Councilmember Kern. Also present were Interim Deputy City Manager Meredyth Muth, Director of Community Development Rob Zuccaro, Economic Vitality Manager Vanessa Zarate, and Economic Vitality Specialist Austin Brown. Two members of the public were in attendance.

3. **Approval of Agenda:** Councilmember Kern made a motion to approve the agenda as presented. The motion was seconded by Councilmember Fahey. Motion passed.

4. **Approval of Meeting Minutes from January 8, 2025:** Councilmember Kern made a motion to approve the January 8, 2025 meeting minutes. The motion was seconded by Councilmember Fahey. Motion passed.

5. **Public Comments on Items Not on the Agenda:**
   None.

6. **Approval of 2025 Meeting Dates:**
   Councilmember Fahey made a motion to approve the proposed 2025 meeting dates. The motion was seconded by Councilmember Kern. Motion passed.

7. **Approval of Business Beat 2025 Meeting Dates:**
   Manager Zarate confirmed that the EVC would like to keep the Business Beat Roundtables scheduled for the fourth Thursday of the month. Councilmember Fahey made a motion to approve the 2025 Business Beat meeting dates. The motion was seconded by Councilmember Kern. Motion passed.

8. **2024 Economic Vitality Year in Review:**
   Manager Zarate gave an overview of Economic Vitality's 2024 efforts and accomplishments. Councilmember Kern asked for additional information about the US 36 Collaborative and Louisville's involvement. Manager Zarate responded that the original intent was to market the members of the US 36

corridor to companies looking for bioscience space in Colorado. She added that the group hopes to expand their marketing and attraction efforts in 2025.

Councilmember Fahey asked about a couple of liquor legislation proposals that she had heard about during a Colorado Municipal League meeting. First, one that would allow liquor manufacturers to have five serving locations that would not need a separate local liquor license. Deputy City Manager Muth responded that distilleries and breweries do not currently need a local license for tasting rooms, and that Louisville would not have a say in allowing or licensing tasting rooms with how the regulation is currently written.

Councilmember Fahey also asked about a proposal to extend liquor serving hours at the state level and whether Louisville would be subject to those changes. Deputy City Manager Muth responded that she believes Louisville can be more restrictive than the state when it comes to liquor serving hours, but noted that she will check with the Liquor Clerk to confirm.

Mayor Leh asked if Manger Zarate could provide an overview of the groups and organizations that Economic Vitality is either a member of, or works closely with. Manager Zarate ran through a list of groups, highlighting several local, state and national organizations. Councilmember Kern asked whether the list or organizations could be posted to the City website. Manager Zarate confirmed that the groups can be posted online.

Mayor Leh asked if there were any marketing, advocacy or collaboration efforts from 2024 that Economic Vitality plans to increase for 2025. Manager Zarate responded that a few efforts may increase as more opportunities present themselves in 2025. She also clarified that while there will not be more than one Economic Vitality Day, she anticipates that it may be more effective in year two.

Mayor Leh thanked Economic Vitality for their work in 2024 and stated that he thinks the efforts are already bearing fruit.

9. **Louisville CHIPS Designation:**
Specialist Brown gave an overview of the CHIPS Zone program and presented a draft application and Resolution approving the boundaries of a proposed area of Louisville to be submitted for designation as a CHIPS Zone. The proposed zone includes both Redtail Ridge and the Colorado Technology Center. Manager Zarate concluded that staff is hoping to receive a formal recommendation from the EVC to City Council in support of the proposed CHIPS Zone.

Mayor Leh asked if any other parts of Louisville were considered for inclusion in the CHIPS Zone. Manager Zarate responded that the McCaslin Corridor and Centennial Valley areas were explored as potential additions to the CHIPS Zone. However, staff decided to include only the CTC and Redtail Ridge as that is where the majority of semiconductor and advanced manufacturing industries would likely locate within Louisville. Manager Zarate continued, adding that Louisville is exploring incorporating other parts of the City into the existing North Metro Enterprise Zone. She clarified that this could potentially include downtown, South Boulder Road and the McCaslin Corridor areas. CHIPS Zones and Enterprise Zones cannot overlap.

Mayor Leh asked if there was any information available regarding the continuation of funding for CHIPS Zones. Manager Zarate responded that she believes the funding should continue, and added that incentives available through the program are usually in the form of tax credits for activities competed the previous year.

Mayor Leh asked whether there were any particular areas of the application that staff would like additional feedback on. Manager Zarate responded that she feels the application is currently strong and didn't identify any areas for additional feedback.

Councilmember Kern recommended that the memo to Council include additional information on the North Metro Enterprise Zone and Louisville's efforts to incorporate parts of the City into the zone. Manager Zarate confirmed that staff will include this information and gave an additional update on timing, noting that the Enterprise Zone changes would go into effect January 1.

Councilmember Kern asked for additional clarification on the differences between CHIPS Zones and Enterprise Zones, and whether it's more advantageous for certain businesses to be located in one particular zone than the other. Manager Zarate responded that while the CHIPS Zone was originally intended for semiconductor industry, it has since been expanded to include advanced manufacturing. While both programs offer very similar tax credits, Manager Zarate noted that in her experience it's often smaller businesses that tend to take advantage of Enterprise Zone credits.

Mayor Leh asked for additional information on the process following approval, including opportunities for recertification. Manager Zarate responded that Enterprise Zones need to be updated at least once every ten years, and added that eligibility may change due to changes in household incomes. Louisville is currently eligible because of a decrease in population. The area can be amended during the ten year period, but noted that it is typically done for small areas and not to either insert or remove an entire community.

Councilmember Kern asked if there is a chance that Louisville could lose its Enterprise Zone designation if the population begins to increase. Manager Zarate responded that a community should not be removed from the Enterprise Zone until the full ten-year designation, at which point Louisville could be removed from the zone. She noted that the qualifying criteria for existing zones is not evaluated annually.

Mayor Leh made a motion to recommend the proposed CHIPS Zone boundaries and application to City Council for further action. Councilmember Kern seconded the motion. Motion passed.

10. **Louisville Economic Snapshot:**

Manager Zarate gave an overview of Louisville's Economic Vitality profile, including commercial real estate and vacancy rates, employment data, and community statistics.
Councilmember Kern asked whether portions of Lafayette and Superior are included in the population statistic. Manager Zarate confirmed that areas of Lafayette and Superior that are included within the data boundaries are counted in the population. Councilmember Kern commented that the total population seemed high, even including portions of Lafayette and Superior. Manager Zarate clarified that the majority of the data is based off of US Census data.

Councilmember asked which ages are included in the college education and income statistics. Manager Zarate responded that the education level typically includes those that could be in the workforce, beginning at age 18. She added that this is the same base number that is used for unemployment.

Mayor Leh commented that the median disposable income seemed low when compared to the median net worth. He asked if this data is used to entice businesses. Manager Zarate confirmed that this data is typically given to businesses that may be considering Louisville, but noted that businesses often look at the median household income rather than median net worth. She added that equity is also taken into consideration when considering net worth, rather than just the value of the house.

Mayor Leh asked which of these figures are most significant to businesses. Manager Zarate responded that it can vary depending on who staff is working with. She added that industries tend to focus more on education level and workforce, while quality of life businesses generally look at population and income.

Public comment from Mike Kranzdorf: Mr. Kranzdorf asked who makes up the roughly 25 percent that is unaccounted for in the commuting statistics. Manager Zarate responded that this likely reflects respondents that skipped this question, as well as employees working from home.

Mayor Leh asked whether this information would be available on the website. Manager Zarate confirmed that this can be posted on the website. Mayor Leh added that this information can be important for both businesses and residents.

11. **Staff Updates:**
Manager Zarate gave an update on several items including the LRC's Property Improvement Program, Enterprise Zone Designation, and the Downtown Colorado, Inc. Metro Mobile Tour.

12. **Development Updates:**
Manager Zarate gave an update on several development projects.

Councilmember Kern asked for an update on Ironton, noting that they are scheduled to appear before the Local Licensing Authority. Director Zuccaro responded that Ironton has an application in for a temporary use permit that would allow them to begin operations prior to implementation of their PUD. He added that they have not yet applied for a building permit.

Councilmember Fahey asked whether it was more efficient to rezone a property before or after the Comprehensive Plan. Director Zuccaro responded that the Comprehensive Plan should be adopted this summer, and that there has been consideration but no action for rezoning prior to adoption of the Comprehensive Plan.

Mayor Leh asked if there was any update on Redtail Ridge. Director Zuccaro confirmed that a PUD has been submitted for one of the parcels and that the hospital has purchased a 40 acre parcel. He clarified that the PUD is not for the hospital.

Mayor Leh asked if there was any update on the CU property. Director Zuccaro responded that there have been conversations and that the group will likely give Council an update once the new City Manager is on board.

Mayor Leh asked if there was any update that could be shared regarding the Trestle Strategy study of the former Chase bank at 833 Main Street. Manager Zarate responded that the consultant is working on finalizing the report and added that there is currently a tenant leasing the space.

Councilmember Kern asked if there were any updates from the Chamber or DBA. Manager Zarate responded that staff works closely with both groups and noted that the Chamber just launched their new website and is finalizing their event schedule for 2025.

Councilmember Fahey asked how the decision to stop Ecotoberfest and join in Lafayette's Earth Day Everyday event might impact Louisville businesses. Manager Zarate responded that businesses that have participated in Ecotoberfest in the past will be able to participate in Earth Day Everyday. Councilmember Fahey noted that her concern was more for the businesses that counted on people vising Louisville for Ecotoberfest. Councilmember Kern agreed and noted that the event seems more Lafayette centric. Mayor Leh noted that this item was not included on the agenda and noted that the City involvement in events might be a good topic for future discussion.

Manager Zarate noted that staff would be happy to bring this item back to the Committee for future discussion and also added that staff has compiled a “master” Economic Vitality calendar that attempt to identify all events taking place in Louisville.

13. **Adjourn:** Councilmember Kern made a motion to adjourn the meeting at 11:57 a.m. The motion was seconded by Mayor Leh. Motion passed. The meeting adjourned at 2:56 p.m.

ECONOMIC VITALITY COMMITTEE

SUBJECT: HIGH LEVEL OVERVIEW AND DISCUSSION OF POTENTIAL INCENTIVE PROGRAMS OR DESIGNATIONS

DATE: MARCH 6, 2025

PRESENTED BY: VANESSA ZARATE, CECD, ECONOMIC VITALITY MANAGER

SUMMARY:

The Economic Vitality team, through City Council, provides the business community with various incentives through the Business Assistance Program. In addition, the Louisville Revitalization Commission provides various incentives to businesses and property owners within the urban renewal boundaries. Incentives provided by the City of Louisville are performance and rebate based, providing positive direct and indirect impacts to the City of Louisville.

The Economic Vitality team works with partners across the state to gain designations for Louisville corridors and businesses. These designations typically allow businesses to gain tax credits or other incentives through state and/or federal partners.

In 2024, Staff presented various options to the EVC in terms of potential program changes or additions that could benefit our business community. Since that time, we have adopted an Enhanced Assistance portion of our Business Assistance Program. In addition, we are currently in the process of gaining CHIPS and Enterprise Zone Designations for the City of Louisville.

Staff is presenting today some very high-level ideas of potential incentives or programs that could be of benefit to the businesses in Louisville. These incentive programs are currently not fully vetted nor has any corresponding policy been drafted. The intent of the conversation today is to express a variety of different incentive options that have been implemented elsewhere and see where EVC thinks these incentives might align with community goals. Based on this feedback, staff will better be able to prepare incentive proposals.

Amend Existing Business Assistance Program (BAP) for Small Retail/Restaurant

The EVC has previously suggested amending the BAP program for small active businesses- retail and restaurants- that can allow for an administrative BAP approval process. This approval would be for the first five years of their operations with a reimbursement schedule of 100-80-60-40-20. This administratively approved BAP, with a staged reimbursement would allow active businesses, that bring sales tax into the community, and moving into small scale spaces to receive an administrative approval, with guaranteed terms for their incentive.

The thought is that this would encourage businesses to move into vacant spaces, and assist the business with a higher rebate in the earlier years which are often the hardest years to remain open.

This would align with our current BAP policy as the incentive would be rebate based on what the business actually produces. In addition, over the years, the rebate amount would decrease, bringing additional sales tax into the City. Once the incentive terminates, the City will retain all of the sales tax generated by the business. To move forward with this option, Staff would bring a BAP program amendment to the full City Council for a vote.

Loan Program
Some communities create their own or partner with a financial organization to create a loan program. This often takes the form of a revolving loan fund, and the fund can provide loans to businesses at low or no cost.

The City would need to determine what types of businesses and projects could be eligible for this type of incentive. Some common examples include a business purchasing their property or a business expansion. The program could include additional eligibility requirements such as business size and annual operating capital.

In order for a loan program to be successful, the City would need to determine program eligibility and identify where the initial funds to start the program would come from, and to what amount. To move this option forward, staff would work with for-profit and not-for-profit financial institutions to determine how much funding would be needed, identify criteria and program eligibility to bring back to the EVC for discussion.

Rent Assistance
There have been conversations surrounding providing rent assistance to targeted businesses in the City of Louisville to assist in the cost of operations. Rent assistance could be provided to small businesses to help close the gap between what businesses can reasonably charge for products and services, and current market rents.

The City would need to determine eligibility for the programs and program parameters such as how much rent assistance (dollar amount, percentage, etc.) and length of time. The City does not control market factors such as market rent and there would be no way for the City to make sure that the rent for the property does not go up while providing assistance. In addition, long term rent assistance is typically not sustainable for the business or the City, as the City can not control market factors or rents charged.

An additional option for rent assistance would be one time grant assistance to help cover the rent should the business have a slow month or face unforeseen expenses. If the EVC would like to explore rent assistance, Staff would recommend exploring options for one time assistance. This can help businesses recover from one-time unforeseen expenses and return to normal operations. To move this forward, Staff would explore options for funding, criteria and eligibility to bring back to the EVC for discussion.

Economic Vitality Tax
Some communities enact a specific tax to be used for economic vitality/development activities. This can include things like an addition to the sales tax (as the City of Louisville has done with parks and historic preservation) or directing existing taxes, such as the lodging tax, to economic vitality activities. In turn, these funds could be used to fund economic development activities and programs, such as incentives and other business support services.

Grant Programming
As currently structured, the City's incentive program is a rebate and performance-based incentive program. This is common as it provides a share-back to the business while protecting the City's financial interest and commitment to the project.
During the COVID-19 pandemic, many communities provided grants to businesses to assist with continued operations and support. These grants were most often provided from various federal funding resources made available to communities during the pandemic.

The City could explore various grant opportunities and would need to determine eligibility, grant amounts and where the funds would be allocated from. One potential grant program could be Construction Impact Grants. These grants could be provided to businesses that are being impacted by a significant construction project that is not their own. This could apply to businesses that are being impacted by a significant utility/road project or road closures due to a new project's construction. This would not be intended to assist with short closures such as a few days or nights, but long term construction projects that could impact a customer's ability to get to the business.

To move this forward, staff would work to determine potential funding, criteria and eligibility to bring back to EVC for discussion.

Public Private Partnerships
Public Private Partnerships (P3) can take many forms and are often a collaboration between the public sector, the private sector and a non-profit. P3s can result in one entity owning land, and one operating the building or one owning land and multiple leases operating components of the project. These can be seen in projects such as sports complexes where the City may own the land and they partner with various entities to build and provide each of the athletic components. These can also be seen in some community spaces such as the City owning the land and building, with non-profits and other entities either renting space for lease or somehow else providing programming within the building.

The City would need to determine appetite for a P3, identify parameters and potential funds for implementation. This would be a short through long term identification for partners, programming and overall operations.

Non-Monetary Support
Some communities identify incentive categories that are not monetary in nature, most often related to length of a process or streamlining the process itself. For example, a project could be deemed economically significant, which would allow for the project to receive expedited review or be able to skip certain steps in the process.

The City would need to determine project eligibility, project support, what the incentive could be and identify staff needs. Often, the biggest commitment to non-monetary support is the staff time and availability needed to achieve an expedited process, while also keeping all other projects on their timelines.

Programmatic Support
There are multiple state through federal programs that are not direct monetary contributions from the City, but assist businesses through support with additional programs, training, promotion and potential grants and monetary rebates. These programs include things like CHIPS Zone, Enterprise Zone, Main Street Designation, industry hubs and more. These programs can be designations that the city applies for (we are not eligible for all of them) and in turn, the businesses within those areas receive additional support, tax credits and grant opportunities that they can be eligible to participate in.

Staff is moving forward with an application for a CHIPS designation and is working with partners for inclusion in our Enterprise Zone. Staff could explore options to engage in the Main Street program at the state and federal level. This would include partnerships with local organizations, such as the Chamber, and open up opportunities for infrastructure funding, technical assistance, training, and grants.

Applications to these programs are most often led by the City with partner and business support. The City will not be eligible for all programs and will need to determine which ones, if any, they would like to apply for. This would predominantly consist of staff time and a potential for small amounts of funding for the application process and review.

Staff is interested in hearing feedback about these high level ideas and getting additional input from the EVC on which incentive programs, if any, staff should further explore.

FISCAL IMPACT:

Current City of Louisville incentives are all rebate based, they are rebated back to the business from new funds generated by the project. Depending on the type of incentive, there could potentially be a need to budget from the general fund or elsewhere to bring the incentive program to fruition. In addition, depending on the type of incentive, there could be an impact to the general fund in terms of not collected sales tax or completely rebated incentives.

RECOMMENDATION:

Staff recommends EVC review and provide feedback.

ATTACHMENT(S):

1. None.

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ECONOMIC VITALITY COMMITTEE

SUBJECT: STAFF UPDATES

DATE: MARCH 6, 2025

PRESENTED BY: VANESSA ZARATE, CECD, ECONOMIC VITALITY MANAGER
AUSTIN BROWN, ECONOMIC VITALITY SPECIALIST

SUMMARY:
In the following, staff provides updates on recent activity related to economic vitality functions.

Downtown Colorado Inc TIF Webinar
Downtown Colorado Inc will be hosting an urban renewal and Tax Increment Financing webinar on Monday, March 3 at 4p. This webinar is designed for elected officials and board members as they share information on TIF and how urban renewal can spark private investment. If you are interested in attending this webinar, please reach out to the Economic Vitality team.

Earth Day, Every Day
The City of Louisville is partnering with the City of Lafayette with their annual Earth Day, Every Day event. Louisville businesses that promote sustainability, eco-friendly products or environmental education are invited to be a vendor at the event. Event highlights include exhibitor booths, a makers market, live animal programs, music, food trucks and a bike valet. If you are interested in learning more, reach out to Louisville's Sustainability team at Sustainability@LouisvilleCo.gov

Colorado Real Estate Journal
Colorado Real Estate Journal will be hosting a variety of their conference series in March to include their Commercial Real Estate Expo, Multifamily Development and Investment Expo, Health Care Conference and Expo, and their Life Science Conference and Expo. The CREJ hosts conferences throughout the year that include retail, industrial, office and trend themes. Find more information at CREJ.com

City of Louisville COLORADO ▪ SINCE 1878	ECONOMIC VITALITY COMMITTEE

SUBJECT: DEVELOPMENT UPDATES

DATE: JANUARY 28, 2025

PRESENTED BY: VANESSA ZARATE, CECD, ECONOMIC VITALITY MANAGER

SUMMARY: UPDATE
In the following, Staff provides updates on recent activity related to construction and development. These updates are for the most frequently asked about sites and not for every site in a review process or under construction. All updates and timeframes are subject to change.

Site	Update
800-804 Main Street (former Wildwood Guitars)	No new updates. Some interested parties have toured the space.
809 Main Street (old Waterloo)	Project is continuing construction for the build-out of the restaurant space. There has been interest in the site, with multiple tours, but no LOI or leases signed to date.
816 Main Street (former Empire)	Staff is working with ownership and interested parties towards a sale. No contract or lease signed to date.
833 Main Street (former Chase)	The LRC has entered into a contract with Trestle Strategy Group to work with staff and the building owner on potential paths forward for the building.
1301 Courtesy Road (Delo Boom)	Delo Boom is working through City processes to construct 140 units of housing. The project will consist of studios through three-bedrooms and 13.5% affordable units.
950 Spruce Street	Construction has completed with the retail and office spaces currently being marketed for rent.
947 Pine Street (former gas station)	Plans call for renovation into Birdie Bar, an eatertainment use with a bar/restaurant and simulated (virtual) golf games. The project is under construction with a hopeful Summer 2025 opening.
1303 Empire Road (Ironton)	Ironton has approved plans for a new distillery and event center. Ironton is

	hoping to start construction Q1.Ironton is working with the City for a temporary use permit, to allow them to serve and engage with customers while they construct the building.
540 County Road (Louisville Grain Elevator)	The Grain Elevator has new owners that have engaged the City to turn the building into an activated space. Stay tuned.
1171 W Dillon Road (former Lowe's)	The New King Soopers Marketplace is currently in the City's planning process and has submitted a planned unit development for review, hoping to start construction 2025. This new King Soopers hopes to be open early 2026.
1164 W Dillon Road (Cinebarre)	University of Colorado has purchased the site and is currently working on public engagement for their plans for the site.
550 McCaslin Boulevard (former Sam's Club)	Relish broke ground on the construction on Friday, June 14th. Relish is planning to open indoor and outdoor pickle ball courts with a food hall. The food hall has building permits into the City for buildout and hopes to open Q2 2025.
575 McCaslin Boulevard (former Carrabba's)	Staff is working with the broker representation to market and attract a new user to the building. No lease signed to date.

If you would like to add a site to these updates, please let me know.

ATTACHMENT(S):
None.

FEBRUARY 6, 2025 | 3:20:56 PM

Video streamer Gaia selling $8M in stock to fund AI improvements

Gaia Inc.'s headquarters in Louisville. Christopher Wood/BizWest

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CALENDAR

27 FEB	Connections on Tap: Timnath Chamber Monthly Happy Hour
1 MAR	Women's Conference – Junior League of Fort Collins
4 MAR	Northern Colorado Real Estate Summit From BizWest

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By BizWest Staff

LOUISVILLE — Streaming video provider Gaia Inc. (Nasdaq: GAIA) is publicly selling 1.6 million shares of its stock in an effort to raise about $8 million, which the company said will primarily be used for “enhancements of our AI capabilities, the development of the Gaia Community project, and for general corporate purposes.”

Roth Capital Partners and Lake Street Capital Markets are the joint book-running managers for the stock offering.

Gaia’s stock was trading at $5.01 just before 11 a.m. Thursday, down 11.8% on the day. Still, the stock has performed reasonably well over the past few months, up more than 9% since the start of 2025.

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For banking CEOs, uncertainty reigns

Attending Tuesday's BizWest CEO Roundtable on trends in the banking industry are, from left: Jeremy Wilson, managing partner, Plante Moran; Bonifacio Sandoval, senior vice president, commercial banking, Adams Bank & Trust; Tom Chesney, president, commercial banking division, AMG National Trust Bank; Susan Moratelli, vice president, MidFirst Bank; Chris Maughan, regional president, Alpine Bank; Richard Morgan, senior

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vice president, Kirkpatrick Bank; Raju Patel, president, Bank of America Colorado; Chad Mitchell, Boulder market president, FirstBank; Desirae Hiatt, branch manager and assistant vice president, Huntington National Bank; Aaron Spear, Boulder market president, Bank of Colorado; and Jim Fipp, partner, Berg Hill Greenleaf Ruscitti. Christopher Wood/BizWest

By Dallas Heltzell

BROOMFIELD — What effect will current economic headwinds have on banks and their depositors and borrowers? Aaron Spear, Boulder market president for Bank of Colorado, had a telling response on Tuesday at BizWest's CEO Roundtable.

Quoting his bank's founder, Spear said, "I don't know what's going to happen with interest rates, but I'm pretty sure you don't know either."

The same goes for President Donald Trump's proposed tariffs. Roundtable participants from the Boulder Valley who were assembled at accountant firm Plante Moran's offices in Broomfield had varied views, with Chad Mitchell, Boulder market president for FirstBank, summing up the market and the room: "It depends on who you ask."

Bonifacio Sandoval, senior vice president for commercial banking at Adams Bank & Trust, acknowledged that "there is a portion of the public that believes rates are going to increase this year as a result of the tariffs." However, he added, "I'm not quite there yet. I believe rates will hold steady."

Tom Chesney, president of the commercial banking division at AMG National Trust Bank, and Richard Morgan, senior vice president at the local branch of Edmond, Oklahoma-based Kirkpatrick Bank, seemed more definitive.

"Tariffs are not going to lead to inflation based on what happened with tariffs in Trump's first term," Chesney said, and Morgan added that "rates are going to stay where they are."

Raju Patel, president of Bank of America Colorado, speculated that "I don't think rates will do much, mainly because of the increasing budget deficit."

Although noting that "nobody really feels like they have it figured out," Susan Moratelli, vice president of MidFirst Bank, had a different view of tariffs' impact.

"I'm thinking of one client in particular," she said. "They have quite a bit of inventory in finished goods. They're planning for growth, but a big concern for them is tariffs. Tariffs in the previous Trump administration did impact their business, and they had to pass those costs on to their customers. Their customers are primarily U.S.-based, but they do a lot of manufacturing overseas and with foreign-sourced components.

“So if we’re talking 20% tariffs, what they explained is, it’s not just the direct impact costwise being passed on, but they tighten up with some of the contracts they have with those factories, and if they have to cut it tighter to control expenses, it creates opportunities for other vendors overseas to swoop in and scoop up that capacity.

Desirae Hiatt of Huntington National Bank makes a point as other executives — from left, Raju Patel of Bank of America Colorado, Chad Mitchell of FirstBank, Jim Fipp of Berg Hill Greenleaf and Ruscitti, and Aaron Spear of Bank of Colorado — listen at BizWest’s CEO Roundtable on banking, held Tuesday in the offices of Plante Moran in Broomfield. Dallas Heltzell/BizWest

“In another four years, things could change again,” she said, “but they couldn’t get back to the robust growth projections that they would have without tariffs.”

Whatever happens, “consumers are adjusting to the rate environment. Consumers are wanting to wait to see,” said Desirae Hiatt, branch manager and assistant vice president at Huntington National Bank, a Columbus, Ohio-based institution that just entered the Boulder market. “We’re thinking the prime is going to go down a few more times, but as far as seeing rates as low as they were during the pandemic, I think those days are definitely behind us. We saw an all-time low then.”

Hiatt noted that her bank is seeing a lot more borrowing in the residential sector.

“It could be many factors,” she said. “Maybe people are feeling more comfortable after the election — or maybe not as comfortable, but feeling safer in locking in a rate.

“I think they’re knowing too that eventually things will adjust and knowing that this is the world we live in,” she said. “I think they understand that it’s not going to be COVID interest rates.”

Spear said he didn’t feel the current environment is much different than the last couple of years, but admitted that “affordability because of higher interest rates is a headwind in that space. And tariffs could absolutely be a headwind" especially with the cost of lumber and steel.

"When we're looking at construction budgets," he said, "it would be prudent to have larger contingencies for things that are out of the builder's control."

However, he added, "interest rates don't look like they're headed down, so that's not going to save the day for a lot of these borrowers who might not be in the best position.

"I think we need to see more data on that front," he said. "We'll see what the administration's actual results are, but I think that it's a huge risk. If tariffs come through our economy, that will absolutely be inflationary."

Moratelli noted that many commercial and industrial borrowers are opting for longer-term loans.

Richard Morgan of Kirkpatrick Bank, left, weighs in on trends in banking as Chris Maughan of Alpine Bank, center, and Tom Chesney of AMG National Trust Bank listen. Dallas Heltzell/BizWest

"The difference is so small," she said, "and to have that locked in for budget planning, the appetite seems to be 'Let me lock this in so I don't have to guess and be whiplashed if things change.'"

Noting that pandemic-era interest rates hovered around 4% and are now closer to 7%, Morgan said that much commercial real estate debt is coming due.

"It's projected that over $600 billion in commercial mortgages are coming due in each of the next three years," he said. "So if you're well over a trillion dollars in debt coming due, that's going to have to be dealt with. Not all those properties are going to be refinanceable. You just hope that you have a strong relationship and a strong borrower, strong financially, that can stand behind their properties and/or their guarantee."

The bankers listed other challenges facing banks and their clients as well.

"There's quite a bit of uncertainty, and I think the concern for us as bankers is the Silicon Valley Banks and some of the failures of a year ago," Chesney said. "I'm seeing regulators come back into the banks that they regulate, going broader and deeper, looking for how well they're managed, what kind of governance do they have, what policies and procedures do you have in place and are you following them?

"I do expect, unless the current administration pulls them back a little bit, to have a lot more scrutiny in those areas," he said.

Chesney also noted the increasing demands to build data centers. He cited "a 600-acre vacant parcel of land that is slated to have an AI campus on it, Everything was proceeding smoothly. They had a letter of intent to acquire the property. But Xcel [Energy] is hesitant to provide the energy that's necessary. The owner of the property doesn't want to front a very significant front-end expense in order to bring it to their site."

Alpine Bank regional president Chris Maughan added, "Data centers take a lot of energy and a lot of water, neither of which we have a lot of."

Getting insurance to back a loan also has its challenges, Chesney said.

"We're in a wildfire-prone area," he said. "I never used to worry very much about insurance and the underwriting process. It was just always taken for granted. But now those insurance premiums are becoming significant — if the borrower can even get insurance."

Attendees at BizWest's CEO Roundtable on banking included Bonifacio Sandoval of Adams Bank and Trust, left, Susan Moratelli of MidFirst Bank and Jeremy Wilson of event host Plante Moran. Dallas Heltzell/BizWest

In the wake of the wind-whipped 2021 Marshall Fire, Moratelli added that "insurance companies are looking at 'ember risk' — a radius of distance from perceived wildfire."

In the wake of the fire, which destroyed more than 1,000 homes in Louisville and Superior, “homebuilding is still an important piece for the Boulder Valley, replacing the product that was lost,” Spear said. “And home prices have plateaued or even dipped a bit.”

Maughan noted an encouraging trend of owner-occupant purchases of commercial property.

“Small businesses, smaller tenants are stepping up and having an opportunity to acquire their space,” he said.

“I do help business customers to be able to purchase the spaces that they’re in,” Hiatt said. “We’ve been giving a lot more businesses the opportunity to do that through the products that we have to offer, like a fixed interest rate for five years. 0% down, promotions that we have.”

An important piece for a business-oriented law firm is mergers and acquisitions, and Jim Fipp, a partner at Boulder-based Berg Hill Greenleaf Ruscitti LLP, noted that “2024 was probably our slowest year ever on the M&A front. A lot of that was related to election uncertainties. People were kind of on pause waiting to see what was going to happen there and maybe hoping rates would come off.

“Now that the election hurdle’s done, investment bankers are starting to see activity pick up, and it’s starting to trickle down to us on the legal side,” Fipp said. “I think it’ll be a healthy 2025 on the M&A side.”

The overall challenge for bankers, Maughan said, is, “How do we return to growth as an industry? That’s hard for people to track.”

Sponsor attendees at Tuesday’s CEO Roundtable included Ashley Legan and Jim Fipp of Berg Hill Greenleaf Ruscitti LLP; Plante Moran’s Jeremy Wilson; and Bank of Colorado’s Aaron Spear.

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Diana Langley, Yuba City, California's city manager since 2021, has been offered the Louisville city manager position. Courtesy City of Louisville

By Lucas High

LOUISVILLE — Diana Langley, Yuba City, California's city manager since 2021, will begin work next month as **Louisville's new city manager** after a contract was finalized by the Louisville City Council this week.

She will receive a base annual salary of $300,000, according to city documents, and must move to Louisville within six months and reside in city limits for the duration of her employment.

Langley was selected after a nationwide search led by Bob Murray & Associates that garnered 50 applications.

Samma Fox, Louisville's deputy city manager, has served at the city's top unelected official since ex-city manager **Jeff Durbin resigned** last July. Fox will resume her previous duties as deputy city manager when Langley starts work.

Durbin resigned after city officials began probing an unspecified "personnel matter" related to the then-city manager.

The Durbin personnel matter came to light last summer when the Louisville City Council held a special meeting on June 19 that included an executive session — held outside of the view of everyone other than members of Louisville City Council; Louisville city attorney Kathleen Kelly; and attorney Marni Kloster, described by Louisville mayor Chris Leh as a "special counsel." The executive session was "for the purpose of discussing a personnel matter involving the city manager, an employee directly appointed by the City Council," Kelly said at the time.

At the end of the hours-long executive session, Louisville City Council voted, the motion language said, to "authorize the mayor and special counsel to take such actions as necessary for further handling of this matter, including, to the extent appropriate, an investigation."

City officials have repeatedly declined to comment on the nature of the personnel matter.

"This is a personnel matter for which, at this time, I cannot comment, but if and when the city can comment we will," a Louisville spokesperson said in an email after the June 19 special meeting.

"There's not an awful lot that can or should be said right now by any of us," Leh said during a July 2024 Louisville City Council meeting. "… This process is one we've taken very, very seriously."

A city spokesperson told BizWest last month that actually "there was no investigation" into Durbin conducted by Louisville officials.

While the City Council did authorize an investigation, one was apparently never initiated.

When asked for clarification on the city's process regarding the handling of the Durbin matter, the Louisville spokesperson said, "All that I can confirm is that there was no investigation."

City officials have not described the content of last year's executive-session discussions, nor have they provided rationale for authorizing an investigation into the Durbin personnel matter but not initiating one. The city has provided no details on the circumstances that led to Durbin's resignation.

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Louisville drafts measure that would allow ADUs

By **ANDREA GRAJEDA** | agrajeda@prairiemountainmedia.com | Prairie Mountain Media

PUBLISHED: February 14, 2025 at 3:36 PM MST

To comply with state legislation requiring accessory dwelling units in districts zoned as single-family residential, the Louisville Planning Commission has reviewed and amended a draft ordinance that allows for the smaller residences.

Colorado House Bill 24-1152 requires municipalities to allow accessory dwelling units, or ADUs, in all single-family zoning districts by June 30. ADUs are internal, attached or detached dwellings that are independent from the primary residence, but still on the same lot. The ADU provides places for living, sleeping, eating, cooking and sanitation.

The Louisville City Council is scheduled to hold a public hearing on the proposed ordinance to allow ADUs at its April 15 meeting.

The current city code does not address ADUs, and they are not currently allowed. The code does provide for guest homes, which can't be rented, sold or have full kitchens. Short-term rentals are currently not permitted in Louisville, and could not function out of an ADU.

At the Thursday planning commission meeting, Planning Manager Jeff Hirt said city staff reached out to neighborhoods affected by the Marshall Fire in 2023 to get resident input on ADUs.

"The state law really overrides a lot of the questions that we asked during that survey," Hirt said.

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Hirt said there were a lot of mixed opinions on ADUs, with some residents not wanting ADUs to be allowed.

Under state statute, there are ADU standards all cities must comply with, but the city still has leeway to create Louisville-specific regulations. While the bill does allow the requirement of a historic preservation review for an ADU, Louisville cannot require ADUs to be approved through a discretionary process, such as ensuring the ADU is "consistent with neighborhood character."

Any ADU standards a city places must employ objective metrics. Homeowners associations are not allowed to prohibit ADUs, under the law.

A city also cannot require the owner of the ADU to live in the same lot, except at the time of permitting of the ADU. The city's draft regulations also require parking only if there is no spare parking spot for the primary unit or if on-street parking where the ADU is located is prohibited.

The ordinance only allows ADUs to be built on single-family dwelling unit lots, and duplexes or other multi-family units would not be allowed to build an ADU. Community Development Director Rob Zuccaro said the state only mandates ADUs on single-family housing units, but the city could look into allowing ADUs on multi-family dwellings units.

Hirt clarified that once the ordinance is formally approved by the City Council, there would be a grace period where residents who have a unit that

“The intent is to have a lot of flexibility to bring those units into full compliance, it considers legal nonconforming, meaning they are not in violation of the code,” Hirt said.

The commission discussed how the council should consider finding a way to lower the cost for water tap fees for new ADUs, in the hopes that by lowering the water tap fees they can lower the obstacles in order to allow residents to reasonably build ADUs.

The commission approved sending the draft ordinance to the City Council with the condition that for ADUs demonstrating a design for accessibility accommodations, the ADU could get an increase on lot coverage and square footage. The increase of the lot would vary on whether the unit is detached or attached.

CANNABIS | FEBRUARY 18, 2025 | 5:47:28 AM

CEA Industries to acquire Fat Panda vape company

By BizWest Staff

LOUISVILLE — CEA Industries Inc. (Nasdaq: CEAD, CEADW) has signed an agreement to acquire Fat Panda Ltd., a Canadian retailer and manufacturer of nicotine vape products, for $12.6 million.

The company will use cash, CEA Industries common shares, and seller and bank debt to fund the acquisition, which “is designed to have minimal dilution to CEA Industries’ shareholders,”

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according to a press release.

Fat Panda is central Canada's largest retailer and manufacturer of e-cigarettes, vape devices and e-liquids, with a market share exceeding 50% in the region. The company operates 33 retail locations, including 29 Fat Panda stores and four Electric Fog vape outlets, in the provinces of Manitoba, Ontario and Saskatchewan.

Fat Panda also operates an online e-commerce platform and sells its own line of e-liquids manufactured in-house, along with a portfolio of trademarks and intellectual property.

"CEA Industries has long been active in the Canadian market, and we are pleased to take the next step in our evolution with this acquisition of Fat Panda, marking our entrance into the high-demand Canadian vape industry," Tony McDonald, chairman and CEO of CEA Industries, said in a prepared statement. "Fat Panda's market leadership in central Canada, supported by its network of 33 stores and a vertically integrated product portfolio, reflects a solidified business with strong fundamentals and a proven track record of double-digit revenue growth, consistent profitability, and positive cash flow."

CEA Industries plans to support expansion of Fat Panda's retail and wholesale operations, including acquiring additional store locations and launching de novo stores.

"By combining our expertise and resources with Fat Panda's established operations, we plan to accelerate its expansion and deepen its presence in the Canadian market to create long-term, sustainable value for our shareholders," McDonald said.

The company said it will continue to employ current management, as well as production and retail staff. The acquisition is expected to be completed in the first half of 2025.

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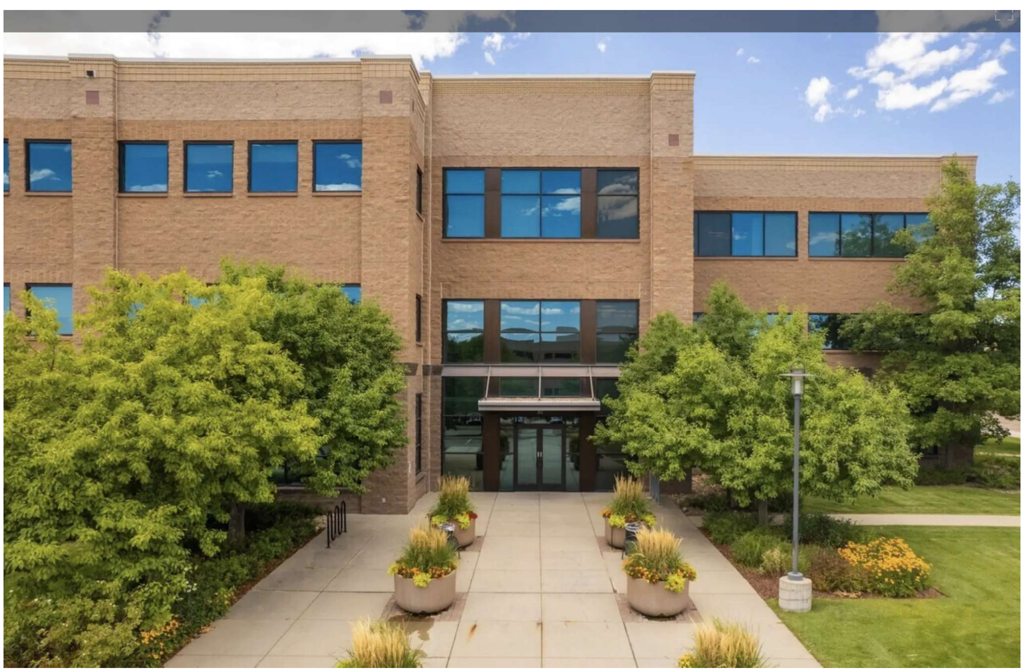
Family Care Center opens clinic in Louisville



Family Care Center's new Louisville location is located at 363 Centennial Parkway. Courtesy Family Care Center.

By BizWest Staff

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LOUISVILLE — Family Care Center has opened a new **outpatient mental health clinic in Louisville**, its 19th facility in the state.

The new Louisville clinic at 363 Centennial Parkway, Suite 220, offers integrated behavioral health care services, including talk therapy, psychiatric care and transcranial magnetic stimulation, an FDA-approved, non-invasive treatment for conditions such depression and obsessive-compulsive disorder.

"Bringing multiple mental health services together in one place allows us to provide a seamless experience for our patients," CEO Wayne Cavanaugh said in a written statement. "Our goal is to ensure that anyone seeking care — whether for themselves, their child, or their family—can receive timely support without long wait times."

Family Care Center operates locations in Colorado, Arizona, Florida, Tennessee and Texas.

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An aerial image of the controversial Redtail Ridge site in Louisville
BRUE BAUKOL CAPITAL PARTNERS

By Justyna Tomtas – Reporter, Denver Business Journal
Feb 21, 2025

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AdventHealth Avista has acquired land within the Redtail Ridge development in Louisville, bringing its plans for a new hospital one step closer to fruition.

The hospital network spent $34 million on the acquisition, according to a special warranty deed filed last week in Boulder County.

The exact amount of land purchased isn't clear. Documents show any development on the property will be limited to 435,600 square feet of improvements.

The special warranty deed lists nearly 20 permitted uses for the land. They include an acute care general hospital, a rehabilitation center, a surgical center, outpatient or inpatient birthing services, and an oncology center, among others.

A representative from AdventHealth declined to provide more information on the project.

AdventHealth Avista's CEO Mark Smith previously told the Denver Business Journal that plans for the new hospital at Redtail Ridge have been moving forward, despite several years of delays.

Redtail Ridge's website features a section that refutes misinformation campaigns that have said Avista doesn't plan to move there.

"Avista's goal is to stay in Louisville with Redtail's approval," the site says.

Redtail Ridge is a privately owned site that has been closed to public access for over 15 years. Avista has been under contract for 40 acres since late 2021, Redtail's website states.

Redtail Ridge has been at the center of years of controversy over its planned scope and activity.

Medtronic, a medtech company, planned to build a new 90-acre campus there, but after a failed special election, the former Phillips 66 property reverted to its original site plan from 2010.

Prior to being acquired by Phillips 66, it had been the headquarters campus and manufacturing center for Storage Technology Corp., though the buildings on it were demolished and the site returned to open land.

Along with the hospital, the vision for Redtail Ridge now includes a life science and innovation campus, over 139 acres of new public parks and trails, and an extension of Campus Drive.

Redtail Ridge is anticipated to generate $43 million in local fees and taxes to Louisville through full build-out, according to its website. It would also bring in $24.4 million annually in commercial property tax revenue.

AdventHealth Avista's current 215,000-square-foot hospital, at 100 Health Park Drive, is less than two miles from the planned site. Smith has previously said that the plan is to ultimately expand Avista's bed count capacity to 200, with a first phase that establishes 150 beds. Currently, Avista's bed count stands at 114.

The current campus will likely be kept by the health system and put to use for clinical care, Smith has said.

-- The Denver Business Journal's Analisa Romano contributed to this report.

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Denver-area hospitals by patient discharges

2022 patient discharges

Rank	Prior Rank	Business name
1	1	UCHealth University of Colorado Hospital
2	2	Denver Health Hospital
3	3	Swedish Medical Center

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