



CHAMBER AND ECONOMIC DEVELOPMENT CORPORATION

AGENDA
Board of Directors Meeting
August 20, 2020
11:30 a.m. – 1:00 p.m.

Join Zoom Meeting

<https://us02web.zoom.us/j/85319651466?pwd=c2pHM1E1T3hMUWJCUUFiYU5GckJtQT09>

Meeting ID: 853 1965 1466

Passcode: 219484

- | | | |
|------|--|-------------------|
| I. | Welcome and Introductions | Erin Jones, Chair |
| II. | Metro District Education Coalition | Kristi Pollard |
| III. | Board Member Updates | All |
| IV. | Consent Agenda (Action Item) | Erin Jones |
| | a. Approval of Minutes of May 21, 2020 | |
| | b. Internal Monitoring Reports 2.2, 2.3, 2.4, 2.5, 2.6 | |
| V. | President's Report | Amy Sherman |
| VI. | Economic Development Strategic Plan Update | All |
| VII. | Adjourn | Erin Jones |



CHAMBER AND ECONOMIC DEVELOPMENT CORPORATION

Meeting Minutes

May 21, 2020

I. Call to order

Chair Erin Jones called to order the Board of Directors meeting of the Northwest Douglas County Chamber & EDC at 11:30 a.m. over Zoom Video Call on May 21, 2020.

II. Roll call

Erin Jones welcomed the Board of Directors and gave a few words about the current pandemic situation and the challenging economic times. Board Members gave updates on their respective industries and how the pandemic was impacting them. The following board members were present:

Erin Jones, FirstBank - Chair
Geoff Lawton, Littleton Adventist Hospital - Vice Chair
Michelle Colaizzi, Allstate Insurance – Colaizzi Agency
Diane Cookson, UCHealth Hospital Highlands Ranch
Dave Kuntz, MartinMartin
Jerry Flannery, Highlands Ranch Community Association
Stewart Gallagher, Colorado Vault & Safe Deposit Box
Chris Haugen, White Construction Group
Becky Holm, Seven Stones Botanical Gardens Cemetery
Rob Kevwitch, Infusion Industries
Jack Reutzel, Fairfield and Woods P.C.
Diane Smethills, Sterling Ranch
Douglas County Commissioner Lora Thomas

Guests: Commissioner Abe Laydon, Lauren Pulver and Terence Quinn, Douglas County.

Staff: Amy Sherman.

III. **Consent Agenda**

Diane Smethills made a motion to approve the Minutes of February 20, 2020, Jack Reutzel seconded. Motion passed.

IV. **President's Report**

Amy Sherman gave a report the COVID-19 Response Teams that the organization is participating on, with special thanks to Lauren Pulver of Douglas County. The partnerships between Douglas County, Tri-County Health Department, Arapahoe Douglas Works, and the chambers/economic development organizations are strong and effective. Amy Sherman also reported on membership, financials, business prospects, and upcoming events.

V. **Economic Development Strategic Plan**

Amy Sherman gave the Board the final version of the Economic Development Strategic Plan through 2025. There will be updates on the progress of the plan at each Board Meeting. The Real Estate & Development Committee will be forming late summer. Heather Taylor of Impact Commercial Real Estate will be the Committee Chair.

Erin Jones adjourned the meeting at 1:00 p.m. The next Board Meeting will be held on August 20th from 11:30 a.m. – 1:00 p.m.

Minutes submitted by: Amy Sherman, President & CEO

INTERNAL MONITORING REPORT

Policy Type: Executive Limitations

Policy Title: 2.2/2.3 – Financial Conditions & Activities

Broadest Policy Provision:

With respect to the actual, ongoing financial condition and activities, the President shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies. The President shall implement Generally Accepted Accounting Practice (GAPP) standards, and develop and implement accounting controls that meet the Financial Accounting Standards Board's (FASB) requirements for Not-For-Profit Organizations. The President shall update accounting practices and controls on a routine basis to maintain compliance with GAAP and FASB policies and standards.

The President Shall Not:

1. Expend more funds than have been received in fiscal year to date, unless the debt guideline is met:
2. Indebt the organization, other than regular use of credit cards for incidental purchases.
3. Allow cash and cash equivalents to drop below that amount necessary to meet operating expenditures over a 30-day period.
4. Fail to settle payroll and payables in a timely manner.
5. Allow tax payments of other government ordered payments or filing to be overdue or inaccurately filed.
6. Make a single purchase or commitment of greater than \$10,000, unless such purchase has been explicitly itemized in budgetary monitoring information previously disclosed to Board. Splitting checks to avoid this limit is not acceptable.
7. Execute a check with single signature for more than \$10,000 such as cash flow suggests.
8. Acquire, encumber, lease or dispose of real property.
9. Fail to aggressively pursue material receivables after a reasonable grace period.

10. Obtain revenues from sources that are not, in fact and appearance, legal and consistent with the mission and values of the organization.
11. Use restricted funds for purposes other than stated.
12. Fail to exercise adequate internal controls over disbursements to avoid unauthorized payments. The organization shall not have secret funds.
13. Allow the expenditure of organizational funds for travel purpose not specifically related to or consistent with the organization's purpose and functions.
14. Make expenditures for charitable contributions not related to or consistent with advancement of organizational ends.
15. Fail to allocate 2% of gross cash revenues to reserves, until reserves reach a threshold of \$132,000.

President's Interpretation:

I have 25 years managing non-profit organizations and the financial conditions of the organization. I use accepted accounting practices for non-profits. We contract with CFO Colorado to prepare the monthly financial statements. Monthly financials are presented to the Executive Committee and quarterly financials are presented to the Board of Directors at each meeting.

For informational purposes, I process the accounts payable and Andrea LaRew, EVP, processes the accounts receivable. CFO Colorado checks our work, balances the accounts, and prepares the financials. They also keep us in compliance with the Secretary of State, the IRS, and all reporting agencies. They also prepare payroll and direct deposit the funds into our personal accounts.

To be in compliance of this Executive Limitation, I certify that:

- I have not spent more funds than we received.
- We use credit cards with monthly limits.
- I have never allowed cash to drop below \$10,000.
- Payroll is on the 10th and 25th of every month.
- All quarterly reports have been filed on time through CFO Colorado and records are kept at the Northwest Douglas County Chamber & EDC office.
- We have not written a check over \$10,000, except in the case of the payment for our golf tournament and it was approved by Erin Jones.
- We do not own any real property.
- All travel and contributions expenses are discussed with CFO Colorado and designated in the proper line items. All mileage reimbursements are at the accepted government rate.

- Northwest Douglas County Chamber & EDC has two accounts at FirstBank: Checking and Savings. The Savings Account acts as a Reserve Account and currently has \$71,000. The intent is to build the Reserve Account each year with 2% of gross cash revenues until it reaches \$132,000. This Reserve Account will not be used unless the Board of Directors decides to approve a specific expenditure from it.

Statement of Compliance:

I report that I am in compliance with the provisions of this Policy. I certify that the information contained in this report is true.

<i>Amy Sherman</i>	<i>8/11/2020</i>
Signature	Date

INTERNAL MONITORING REPORT

Policy Type: Executive Limitations

Policy Title: 2.4 – Asset Protection

Broadest Policy Provision:

The President shall not allow the assets of the organization to be unprotected, inadequately maintained or unnecessarily risked.

Accordingly, he or she may not:

1. Fail to insure:
 - a. against theft and casualty losses to at least 100% of replacement value, and
 - b. against liability losses to board members, staff and the organization itself in an amount equal to the average for comparable organizations.
2. Allow unbonded or uninsured personnel access to material amounts of funds.
3. Subject equipment to improper wear and tear or insufficient maintenance.
4. Unnecessarily expose the organization, its board or staff to claims of liability.
5. Make any purchase:
 - a. wherein normally prudent protection has not been given against conflict of interest.
 - b. of over \$5,000 without having obtained comparative prices and quality.

President's Interpretation:

I interpret this policy to mean we will not fail to insure any property or equipment. We have insurance coverage through Michelle Colaizzi, Allstate Insurance for our office staff and equipment. The Board of Directors has Directors & Officers Insurance. CFO Colorado's staff is fully bonded and insured.

We have not purchased anything over \$5,000 recently and would compare prices if we did have a purchase that large. We have not purchased anything that would have a conflict of interest with the organization.

Statement of Compliance:

I report that I am in compliance with the provisions of this Policy. I certify that the information contained in this report is true.

Amy Sherman
Signature

8/11/20
Date

INTERNAL MONITORING REPORT

Policy Type: Executive Limitations

Policy Title: 2.5 Compensation & Benefits

Broadest Policy Provision:

With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the President shall not cause or allow jeopardy to fiscal integrity or public reputation.

Accordingly, he or she may not:

1. Change her compensation and benefits.
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
4. Pertaining to consultants or contract vendors, create obligations over a longer term than revenues can be safely projected, in no event longer than one year.

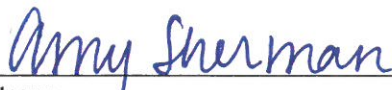
President's Interpretation:


I interpret this policy to mean that I cannot amend my compensation or benefits during the year. I also cannot guarantee contract work for more than one year at a time.

As President, I have an annual review from the CEO Performance Committee, and I review the staff on an annual basis.

Statement of Compliance:

I report that I am in compliance with the provisions of this Policy. I certify that the information contained in this report is true.


Signature


Date

INTERNAL MONITORING REPORT

Policy Type: Executive Limitations

Policy Title: 2.6 Board Awareness & Support

Broadest Policy Provision:

The President shall not permit the board to be uninformed or unsupported in its work.

Accordingly, he or she may not:

1. Neglect to submit monitoring data required by the board in a timely, accurate and understandable fashion, directly addressing provisions of board policies being monitored.
2. Let the board be unaware of relevant trends, anticipated adverse media coverage, material external and internal changes, and particularly changes in the assumptions upon which any board policy has been previously established. To the extent possible, the Board is to be given advance notification of material internal changes.
3. Fail to advise the board if, in the President's opinion, the board is not in compliance with its own policies on Governance Process, particularly in the case of board behavior that is detrimental to the work relationship between the board and the President.
4. Fail to marshal for the board external points of view, issues and options as needed for fully informed board choices.
5. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types:
 - a. monitoring,
 - b. decision preparation, and
 - c. incidental.
6. Fail to provide a mechanism for official board communications.
7. Fail to deal with the board as a whole except when:
 - a. fulfilling individual requests for information, or
 - b. responding to officers duly charged by the board.
8. Fail to report in a timely manner any actual or anticipated noncompliance with any policy of the board.

9. Fail to supply for the consent agenda all items delegated to the President yet required by law or contract to be Board-approved, along with the monitoring assurance pertaining thereto.

President's Interpretation:

I hope the Board of Directors feels informed and involved and we appreciate feedback on our processes. We hold quarterly Board of Directors meetings, but could amend the timing if the Board would like to hold more frequent meetings.

As this policy states and I interpret:

- I provide the Board with relevant information at quarterly Board meetings and via email between Board meetings.
- I provide the Board with all media communications about the Northwest Douglas County Chamber & EDC and Chamber and relevant articles about the region and activities.
- I feel the Board is well adjusted to Policy Governance and the procedures.
- I communicate directly with the Board Chair, Erin Jones, on a regular basis. I communicate with the Board members as a whole on board issues. I have not failed to supply the Board with agendas, minutes, policy manual and reports, and presentation materials on a timely basis.

I welcome feedback on all Board of Director communication, materials, meeting frequency, and policies.

Statement of Compliance:

I report that I am in compliance with the provisions of this Policy. I certify that the information contained in this report is true.

Amy Sherman
Signature

8/11/20
Date

Northwest Douglas County EDC
Balance Sheet
As of July 31, 2020

	Jul 31, 20
ASSETS	
Current Assets	
Checking/Savings	
1st Bank Checking 6452	76,099.76
1st Bank Savings 9643	70,985.89
Petty Cash	50.00
Total Checking/Savings	147,135.65
Total Current Assets	147,135.65
Fixed Assets	
Accumulated Depreciation	-1,716.75
15000 · Furniture and Equipment	2,205.60
Total Fixed Assets	488.85
TOTAL ASSETS	147,624.50
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
1st Bank - CC - 8023	937.99
Total Credit Cards	937.99
Other Current Liabilities	
EIDL	3,000.00
Total Other Current Liabilities	3,000.00
Total Current Liabilities	3,937.99
Total Liabilities	3,937.99
Equity	
32000 · Unrestricted Net Assets	143,096.09
Net Income	590.42
Total Equity	143,686.51
TOTAL LIABILITIES & EQUITY	147,624.50

Northwest Douglas County EDC

Profit & Loss Budget vs. Actual

July 2020

	Jul 20	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
100 · Events/Programs				
101 · Annual Breakfast/Lunch	0.00	0.00	0.00	0.0%
102 · Chamber Committees	35.00	50.00	-15.00	70.0%
103 · Golf Tournament	12,910.00	6,000.00	6,910.00	215.2%
104 · Miscellaneous	0.00	100.00	-100.00	0.0%
105 · Monthly Luncheons	0.00	400.00	-400.00	0.0%
106 · Advance Douglas County	0.00	500.00	-500.00	0.0%
107 · Referral Groups	60.00	100.00	-40.00	60.0%
108 · Turkey Day 5k	0.00	4,000.00	-4,000.00	0.0%
Total 100 · Events/Programs	13,005.00	11,150.00	1,855.00	116.6%
200 · Membership				
201 · Administrative Fees	40.00	100.00	-60.00	40.0%
202 · Business Level	1,675.00	2,990.00	-1,315.00	56.0%
204 · Executive Level	1,465.00	3,160.00	-1,695.00	46.4%
205 · Networking Level	2,504.68	2,400.00	104.68	104.4%
207 · Gold Level	425.00	832.00	-407.00	51.1%
208 · Platinum Level	416.67	625.00	-208.33	66.7%
209 · Silver Level	5,215.00	12,715.00	-7,500.00	41.0%
210 · Additional Location	25.00	0.00	25.00	100.0%
211 · Strategic Partner Level	4,000.00	14,000.00	-10,000.00	28.6%
Total 200 · Membership	15,766.35	36,822.00	-21,055.65	42.8%
310 · Economic Development Study	0.00	0.00	0.00	0.0%
Total Income	28,771.35	47,972.00	-19,200.65	60.0%
Expense				
Economic Development Study Expe	0.00	0.00	0.00	0.0%
600 · Administrative				
601 · Accounting Fees	119.00	300.00	-181.00	39.7%
602 · Bank/Merchant Service Charges	400.46	400.00	0.46	100.1%
603 · Benefits	74.67	400.00	-325.33	18.7%
604 · Contributions	0.00	500.00	-500.00	0.0%
605 · Copier	0.00	280.00	-280.00	0.0%
607 · Dues & Subscriptions	30.00	400.00	-370.00	7.5%
608 · Insurance-D&O, Work Comp, Liab	0.00	0.00	0.00	0.0%
609 · Internet/Data	99.95	300.00	-200.05	33.3%
610 · Licenses and Permits	0.00	10.00	-10.00	0.0%
611 · Mileage, Parking, Tolls	0.00	200.00	-200.00	0.0%
612 · Office Supplies	193.52	200.00	-6.48	96.8%
613 · Payroll Commission	732.00	1,000.00	-268.00	73.2%
614 · Payroll Salary	17,000.00	18,250.00	-1,250.00	93.2%
615 · Payroll Taxes	1,249.23	1,500.00	-250.77	83.3%
616 · Postage	0.00	0.00	0.00	0.0%
617 · Printing	0.00	100.00	-100.00	0.0%
618 · Rent	4,194.00	4,000.00	194.00	104.9%
619 · Technology + Support	207.20	300.00	-92.80	69.1%
620 · Telephone, Cell Phone	260.84	350.00	-89.16	74.5%
712 · Website (Chamber Master)	473.00	1,000.00	-527.00	47.3%
803 · Douglas County Business Allianc	0.00	0.00	0.00	0.0%
805 · Marketing	12.95	3,000.00	-2,987.05	0.4%
806 · Meetings	56.98	350.00	-293.02	16.3%
Total 600 · Administrative	25,103.80	32,840.00	-7,736.20	76.4%
700 · Chamber				
701 · Ambassadors	0.00	75.00	-75.00	0.0%
702 · Annual Breakfast/Lunch	0.00	0.00	0.00	0.0%
703 · Chamber Management Committee	0.00	100.00	-100.00	0.0%
705 · Golf Tournament	150.00	1,500.00	-1,350.00	10.0%
708 · Miscellaneous Programs	0.00	100.00	-100.00	0.0%
709 · Monthly Luncheons	0.00	900.00	-900.00	0.0%
710 · Professional Development	0.00	250.00	-250.00	0.0%

1:12 PM

08/06/20

Cash Basis

Northwest Douglas County EDC
Profit & Loss Budget vs. Actual
July 2020

	<u>Jul 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
711 · Turkey Day 5K	0.00	200.00	-200.00	0.0%
713 · Women's Business Alliance	0.00	100.00	-100.00	0.0%
Total 700 · Chamber	150.00	3,225.00	-3,075.00	4.7%
800 · EDC				
801 · Board of Directors Meetings	0.00	50.00	-50.00	0.0%
802 · Consultants	0.00	0.00	0.00	0.0%
804 · Advance Douglas County	0.00	1,000.00	-1,000.00	0.0%
807 · Professional Development	0.00	0.00	0.00	0.0%
808 · Conferences/Trade Shows	0.00	0.00	0.00	0.0%
810 · Conferences/Trade Shows 2	0.00	0.00	0.00	0.0%
Total 800 · EDC	0.00	1,050.00	-1,050.00	0.0%
Total Expense	25,253.80	37,115.00	-11,861.20	68.0%
Net Ordinary Income	3,517.55	10,857.00	-7,339.45	32.4%
Other Income/Expense				
Other Income				
Interest Income	1.21	0.00	1.21	100.0%
Total Other Income	1.21	0.00	1.21	100.0%
Other Expense				
Fraud Charge(s)	1.50			
Total Other Expense	1.50			
Net Other Income	-0.29	0.00	-0.29	100.0%
Net Income	3,517.26	10,857.00	-7,339.74	32.4%

Northwest Douglas County EDC

Profit & Loss Budget vs. Actual

January through July 2020

	Jan - Jul 20	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
100 · Events/Programs				
101 · Annual Breakfast/Lunch	4,275.00	9,400.00	-5,125.00	45.5%
102 · Chamber Committees	1,780.00	6,700.00	-4,920.00	26.6%
103 · Golf Tournament	21,535.00	23,000.00	-1,465.00	93.6%
104 · Miscellaneous	210.00	700.00	-490.00	30.0%
105 · Monthly Luncheons	780.10	2,800.00	-2,019.90	27.9%
106 · Advance Douglas County	0.00	1,500.00	-1,500.00	0.0%
107 · Referral Groups	420.00	700.00	-280.00	60.0%
108 · Turkey Day 5k	7,500.00	4,000.00	3,500.00	187.5%
Total 100 · Events/Programs	36,500.10	48,800.00	-12,299.90	74.8%
200 · Membership				
201 · Administrative Fees	240.00	700.00	-460.00	34.3%
202 · Business Level	25,147.50	28,600.00	-3,452.50	87.9%
204 · Executive Level	5,365.00	14,460.00	-9,095.00	37.1%
205 · Networking Level	19,238.68	25,600.00	-6,361.32	75.2%
207 · Gold Level	21,592.66	25,824.00	-4,231.34	83.6%
208 · Platinum Level	12,916.67	11,875.00	1,041.67	108.8%
209 · Silver Level	36,935.00	56,505.00	-19,570.00	65.4%
210 · Additional Location	475.00	0.00	475.00	100.0%
211 · Strategic Partner Level	84,000.00	93,000.00	-9,000.00	90.3%
Total 200 · Membership	205,910.51	256,564.00	-50,653.49	80.3%
310 · Economic Development Study	0.00	0.00	0.00	0.0%
Total Income	242,410.61	305,364.00	-62,953.39	79.4%
Expense				
Economic Development Study Expe	0.00	0.00	0.00	0.0%
600 · Administrative				
601 · Accounting Fees	2,110.50	3,100.00	-989.50	68.1%
602 · Bank/Merchant Service Charges	2,616.05	2,800.00	-183.95	93.4%
603 · Benefits	3,748.32	2,800.00	948.32	133.9%
604 · Contributions	500.00	3,500.00	-3,000.00	14.3%
605 · Copier	1,991.77	1,960.00	31.77	101.6%
607 · Dues & Subscriptions	1,173.58	2,800.00	-1,626.42	41.9%
608 · Insurance-D&O, Work Comp, Liab	2,613.00	2,200.00	413.00	118.8%
609 · Internet/Data	1,248.58	2,100.00	-851.42	59.5%
610 · Licenses and Permits	20.00	70.00	-50.00	28.6%
611 · Mileage, Parking, Tolls	587.10	1,400.00	-812.90	41.9%
612 · Office Supplies	1,021.49	1,400.00	-378.51	73.0%
613 · Payroll Commission	19,079.00	9,500.00	9,579.00	200.8%
614 · Payroll Salary	125,366.25	127,750.00	-2,383.75	98.1%
615 · Payroll Taxes	10,929.01	10,500.00	429.01	104.1%
616 · Postage	0.00	0.00	0.00	0.0%
617 · Printing	896.00	700.00	196.00	128.0%
618 · Rent	19,414.00	12,000.00	7,414.00	161.8%
619 · Technology + Support	3,703.09	2,100.00	1,603.09	176.3%
620 · Telephone, Cell Phone	2,610.16	2,450.00	160.16	106.5%
712 · Website (Chamber Master)	2,910.21	7,000.00	-4,089.79	41.6%
803 · Douglas County Business Allianc	4,000.00	4,500.00	-500.00	88.9%
805 · Marketing	991.45	6,000.00	-5,008.55	16.5%
806 · Meetings	1,083.90	2,450.00	-1,366.10	44.2%
Total 600 · Administrative	208,613.46	209,080.00	-466.54	99.8%
700 · Chamber				
701 · Ambassadors	320.32	525.00	-204.68	61.0%
702 · Annual Breakfast/Lunch	9,538.89	10,500.00	-961.11	90.8%
703 · Chamber Management Committee	260.82	700.00	-439.18	37.3%
705 · Golf Tournament	1,150.00	3,500.00	-2,350.00	32.9%
708 · Miscellaneous Programs	332.45	700.00	-367.55	47.5%
709 · Monthly Luncheons	2,976.85	6,300.00	-3,323.15	47.3%
710 · Professional Development	1,762.15	1,750.00	12.15	100.7%

12:35 PM
08/06/20
Cash Basis

Northwest Douglas County EDC Profit & Loss Budget vs. Actual January through July 2020

	Jan - Jul 20	Budget	\$ Over Budget	% of Budget
711 · Turkey Day 5K	0.00	200.00	-200.00	0.0%
713 · Women's Business Alliance	0.00	6,100.00	-6,100.00	0.0%
Total 700 · Chamber	16,341.48	30,275.00	-13,933.52	54.0%
800 · EDC				
801 · Board of Directors Meetings	1,879.90	3,600.00	-1,720.10	52.2%
802 · Consultants	12,007.46	14,500.00	-2,492.54	82.8%
804 · Advance Douglas County	2,032.00	5,000.00	-2,968.00	40.6%
807 · Professional Development	0.00	1,000.00	-1,000.00	0.0%
808 · Conferences/Trade Shows	1,010.96	3,000.00	-1,989.04	33.7%
810 · Conferences/Trade Shows 2	0.00	0.00	0.00	0.0%
Total 800 · EDC	16,930.32	27,100.00	-10,169.68	62.5%
Total Expense	241,885.26	266,455.00	-24,569.74	90.8%
Net Ordinary Income	525.35	38,909.00	-38,383.65	1.4%
Other Income/Expense				
Other Income				
Interest Income	66.57	0.00	66.57	100.0%
Total Other Income	66.57	0.00	66.57	100.0%
Other Expense				
Fraud Charge(s)	1.50			
Total Other Expense	1.50			
Net Other Income	65.07	0.00	65.07	100.0%
Net Income	590.42	38,909.00	-38,318.58	1.5%

Exhibit A
SCOPE OF SERVICES

Services to be provided include:

1. Provide an annual written progress report to the County no later than December 1, 2020. The report will summarize efforts to implement the Northwest Douglas County Economic Development Corporation Strategic Plan, reassess and identify priorities for the upcoming year, and summarize progress towards achieving the tasks and services outlined in this Agreement.
2. Develop a robust business attraction program; identify targeted industries, develop a marketing plan, and respond to business prospects considering relocation to northwest Douglas County.
3. Implement a business retention and expansion program; identify business needs and organizational strategies to meet those needs.
4. Collaborate with the business community, development community and service providers to identify projects that support the real estate, development, and economic development needs (for instance, attainable housing, infrastructure, or industry master plans) in Northwest Douglas County.
5. Develop and share resources, information, and technical capabilities (e.g. web site enhancements, data analysis, and business intelligence);
6. Cooperate and participate in the Economic Development Forum, a committee of the Partnership of Douglas County Governments, whose purpose is to explore and clarify economic goals and service delivery within the County, including ways to collaborate efforts and service delivery within the County, and ways to collaborate on efforts that result in mutually beneficial outcomes, for the purpose of promoting a viable and sustainable economy in Douglas County; and
7. Cooperate and collaborate with other economic development-related agencies and organizations in Douglas County to ensure a unified approach for supporting economic development in the County, while respecting the needs and desires of the individual organizations, agencies, and communities.

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From the Denver Business Journal:

<https://www.bizjournals.com/denver/news/2020/07/20/key-takeaways-denver-office-tenants-q2-2020-data.html>

5 key takeaways for Denver office tenants after a tumultuous second quarter of 2020

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Denver's previously red-hot office market received a rude awakening in March, when the coronavirus pandemic began to hammer the U.S. economy.

The latest data from the second quarter offers a telling look at how Covid-19 has reshaped the metro's office landscape. And while there's plenty we still don't know, here are five key takeaways for Denver office tenants.



KATHLEEN LAVINE, DENVER BUSINESS JOURNAL

An office in downtown Denver sits empty during the coronavirus pandemic.

Leasing activity has reached historic lows.

Companies across the metro largely put their searches for office space on hold during the second quarter, which led to a 43.1% year-over-year drop in leasing activity, according to research from real estate brokerage firm Savills. The roughly 1.2 million square feet that was taken during the quarter amounted to the lowest level of quarterly activity in at least 15 years.

Some deals did get done despite Covid-19, but it's hard to draw conclusions from a relatively small sample size, said Rick Schuham, vice chairman and central region lead for Savills.

"There are just not enough transactions getting completed that are comparable," Schuham said. "There's a lot of short-term stuff — one year, two-year extensions. Very few 10, 12-year deals are getting done."

The Denver office market recorded negative net absorption for the first time in 11 quarters, according to Cushman & Wakefield, meaning the amount of space that came on the market — either through tenants leaving or new construction — was greater than the amount of space leased up. Cushman & Wakefield pegged net absorption at -733,000 square feet, a sharp reversal from the 597,000 square feet absorbed during the first quarter.

Class A buildings fared better than Class B and C properties, CBRE noted.

"For the second quarter, what you saw were the deals that got done or were absorbed were deals that had already been transacted over the last 12 or 18 months," said D Bergin, a managing director at CBRE who oversees office occupier and industrial services for the Colorado region.

There's plenty of space on the market, with more on the way.

Total vacancy in the metro grew to 13.6%, and availability (which includes vacant space plus occupied space that is being marketed to new tenants) grew to 17.8%, according to CBRE. The increase in available space was driven by a 33.3% quarter-over-quarter increase in sublease space, which now stands at 3.4 million square feet.

The glut of new sublease space puts downward pressure on direct rents, Bergin said, although he noted that asking rents will take longer to adjust as landlords wait to determine the extent of the fallout from the coronavirus.

No new office projects delivered in the second quarter, but total construction volume is up to 3.7 million square feet in the metro, according to CBRE.

Approximately 1.4 million square feet of office space is underway downtown, including notable spec projects such as Block 162, One Platte, The Link, McGregor Square and Market Station.

Those projects have seen little in the way of pre-leasing so far, with just 7.5% of the space pre-leased at the end of the quarter, according to CBRE estimates.

Many tenants are still re-evaluating their real estate needs, said Mike Rooks, managing director at JLL.

"For those people suggesting companies will need more space because of the de-densification, that's kind of overwhelmed by work-from-home and the economics," Rooks said. "We used to be doing leases that incorporated a fair amount of growth — companies were saying, 'I'm going to grow by a significant percentage every year.' It's hard to carry that same optimism right now."

Asking rents haven't fallen yet — but tenants can still find a good deal.

The average direct asking lease rate for metro Denver held steady from the first quarter to the second, hovering around a yearly rate of \$29 per square foot for a full service gross lease.

In the Central Business District, that figure rises to around \$37 per square foot, according to research from Savills and Cushman & Wakefield.

Tim Bourdelais, a managing director at JLL, said landlords are starting to recognize that the market is shifting to favor tenants.

"They're clawing and scratching to keep pre-Covid rents at the same level, but it's a losing battle for them every day," Bourdelais said. "When supply increases and demand decreases, it's much more favorable for tenants. It will be a slow process, but certainly in the next six months we're going to see that trend much more favorably for tenants."

Even though asking rates haven't fallen yet, tenants that are on the market right now are getting the benefit of adjusted pricing, Schuham said. Some landlords are offering free rent for a certain period of time, or money for tenant improvements to the space.

"In all the historic downdraft cycles, concessions go up, and then depending on the duration of the downturn, rents start to correct and go down later," Schuham said.

Downtown Denver has been harder hit than the suburbs.

A significant portion of the new sublease space is concentrated in the Central Business District, which has been particularly hard hit as prominent energy companies look to downsize in the wake of the oil downturn.

"The oil and gas crisis has been fairly catastrophic for downtown," Rooks said. "We're approaching record levels of sublease space."

Eric Brynestad, managing director at JLL, noted that the amount of sublease space in the northwest market is "not even close" to the supply in downtown. The southeast suburban market does have some large sublease blocks, but those were largely decided before Covid-19, Bourdelais said.

Leasing activity in the downtown market has slowed to between 15% and 20% of its normal pace, Schuham estimated. Activity in the suburban markets is still going at 75% or 80%, he estimated. Some of that is due to the types of industries that favor the suburbs, such as government contracting, which haven't slowed.

Downtown sublease space grew to 1.7 million square feet, a 34.7% increase over the previous quarter, according to CBRE. But Bergin said Denver is still well-positioned as an attractive landing site for out-of-state tech companies.

"Denver is a strong tech market that is a great alternative to the more expensive markets like New York, Seattle, Boston, and D.C.," Bergin said.

Some tenants will be able to control their destiny.

Most brokers are advising tenants to hold off on making a decision if they don't need to immediately. But tenants that have proven capable of withstanding the economic downturn, and have an understanding of their future office needs, can take advantage of the current market, Schuham said.

"In every other downturn, there have been lots of really solid, strong companies that effectively set up really low cost structures for their occupancy costs for a decade forward, because they have a clear vision," Schuham said.

That's obviously not possible for everyone. Other tenants may prefer to sign shorter extensions and delay a more permanent decision. And it's difficult for companies to commit to an office footprint when they're still largely working from home, said Ken Gooden, managing director at JLL.

"The single biggest data point we need is what it looks like when they go back," Gooden said. "I feel like most of my tech clients are in absolutely no hurry to go back. It's like a race to see who can be last."

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From the Denver Business Journal:

<https://www.bizjournals.com/denver/news/2020/08/11/terumo-bct-rebrands-blood-and-cell-technologies.html>

Terumo BCT rebrands, shifts production to focus on Covid-19 treatments

Aug 11, 2020, 8:10am MDT

Lakewood-based biotech company Terumo BCT has rebranded itself as Terumo Blood & Cell Technologies.

Historically, the BCT stood for blood component technologies. The company manufactures medical equipment, particularly equipment used in blood donations. The company started to expand into other therapeutic areas about eight years ago when Lakewood-based CaridianBCT was acquired by Japanese firm Terumo for \$2.6 billion.



TERUMO BLOOD & CELL TECHNOLOGIES

Inside the Lakewood-based Terumo Blood & Cell Technologies.

"This is an evolution and an acknowledgement," CEO Antoinette Gawin told Denver Business Journal. "It's not something we came up with, it's something we're already doing."

Sales Slow

Terumo Blood & Cell Technologies has been active in aiding the treatment of Covid-19.

In April, the company focused on three ways to help global health care providers combat the pandemic. One technique was to reduce the proteins in a patient's

blood, which could help fight off inflammation, and another method used technology to reduce pathogens in blood.

The third way Terumo's equipment can be used is to collect convalescent plasma, which comes from blood collected from patients who have survived Covid-19 that is spun into plasma full of antibodies that can be transferred to a sick patient. While convalescent plasma treatment is still being studied and evaluated by the Food & Drug Administration, President Donald Trump praised the process at the end of July. Gawin said that more than 100,000 people have been treated with it so far. She said her company has been shifting production to support that need and educating clinicians and physicians on how to use the plasma.

Meanwhile, she said Terumo is focused on ensuring its associates stay safe, remaining financially viable and keeping up with its global supply chains. To that last point, production has increased 30% in the last six months, and Terumo has hired 150 more employees in Lakewood. Employees are working on split shifts to help stay safe.

"We're figuring out how else we can serve patients, through plasma or other work," Gawin said.

Jensen Werley

Reporter

Denver Business Journal



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