

THE SUNDAY SENTINEL

GRAND JUNCTION, COLORADO

SUBSCRIBER BONUS FREE

THE PLUS

EXTRA E-EDITION

20 PAGES OF EXPANDED, NATIONAL COVERAGE EVERY DAY

Sunday

March 13, 2022

\$2.00

YOUR COMMUNITY NEWS SOURCE SINCE 1893



BARTON GLASSER/Special to the Sentinel

Las Colonias business park with the Bonsai Design building, center, and RockyMounts to its right in lower downtown Grand Junction.



WILLIAM WOODY/Special to the Sentinel

The new Colorado Yurt Co. is under construction next to the new Colorado Outdoors Flex buildings in Montrose.

Tale of two cities' projects

By SAM KLOMHAUS
Sam.Klomhaus@gjsentinel.com

Two developments on the Western Slope intended to spur economic activity were conceived around the same time, but they've had varying levels of activity in subsequent years.

Both Montrose's Colorado Outdoors and Grand Junction's Riverfront at Las Colonias are considered "Opportunity Zones," which in the state of Colorado means they get tax incentives to encourage long-term private investments in low-income areas.

Montrose has seen a period of growth recently, announcing multiple new tenants so far in 2022, while the Riverfront at Las Colonias has not expanded beyond its two original tenants.

Colorado Outdoors tenants include fly fishing manufacturer Mayfly Outdoors and the Colorado Yurt Co., businesses that have deep roots in Montrose and have flourished in the area.

Mayfly used to have fewer than 20 employees in Montrose and now has about 60, and Colorado Yurt has grown from about 25 Montrose employees to almost 70 now, said David Dragoo, Mayfly founder and Colorado Outdoors leader.

Another outdoor manufacturer, wetsuit creator Xcel Wetsuits, has a distribution center and administration building on the campus.

Dragoo also said there are some smaller tenants preparing to move into the development's flex buildings that have not been announced yet.

A medical outpatient facility, the Colorado Outdoors Medical Center, was also recently announced, as well as a recreation center from the Montrose

Montrose opportunity zone growing, while it's slow going at Las Colonias business park

Recreation District that will give Colorado Outdoors tenants access to a gym and showers.

A Fairfield by Marriott hotel is also planned for the campus.

The project is getting "pretty full," Dragoo said, with about 40 acres left to be developed of the original 160, a quarter of which is going to open space.

MEANWHILE IN GRAND JUNCTION

The Riverfront at Las Colonias Park has nine building pads. One is occupied by Bonsai Design, a zipline and adventure course company, which received \$1 million in incentives to move to Las Colonias when it was considering a move away from Grand Junction.

The other current tenant is RockyMounts, a bike rack company, which moved to Grand Junction from Boulder and has since moved its manufacturing and distribution to the Salt Lake City area because of difficulty

distributing its products out of Grand Junction.

Additionally, Bonsai's building contains office space for the Christi Reece Group, CBD com-

pany Chill.com, data protection firm CloudRise and KLJ Engineering.

"I think we would all have to admit it's a bit slower than we anticipated," said Rick Taggart, a Grand Junction City Council member who serves as liaison between Las Colonias and City Council. "But it's important to realize from the time we started until now, we've been facing a pretty significant situation with COVID."

It's realistic to understand that given some of the uncertainties lately, companies aren't going

See **PROJECTS**, page 6A



WILLIAM WOODY/Special to the Sentinel

Workers frame the inside of a new restaurant inside the Colorado Outdoors flex building in Montrose.

HOW THE TWO ENTITIES COMPARE

The estimated cost to develop Colorado Outdoors in Montrose, a 160-acre campus with 40 acres of open space, 20 acres of residential and commercial construction with an estimated 25-year build-out, is about \$83 million for site work, infrastructure improvements, river restoration and open space improvements, according to a Colorado Outdoors brochure.

For the Riverfront at Las Colonias in lower downtown Grand Junction, a 15-acre business park situated at the 130-acre Las

Colonias Park, the cost of developing the space was estimated to be about \$30 million, according to previous reporting by The Daily Sentinel. That includes \$10 million from the Downtown Development Authority and \$20 million from private entities. In addition, the city of Grand Junction developed Las Colonias, a former uranium mill tailings site, into a park, and gave Bonsai Design \$1 million in incentives to move its headquarters to Las Colonias.

The Colorado Yurt Co. headquarters and the Colorado Outdoors Flex building are part of the Colorado Outdoors development in Montrose. It also includes Basecamp, a 20-acre residential development on the campus. Right now, crews are working to put up 96 market-rate apartment units.

WILLIAM WOODY/
Special to the Sentinel



PROJECTS: Montrose opportunity zone began in 2016

► Continued from page 1A

to be looking to move, Taggart said, noting that Russia's invasion of Ukraine could also add another international uncertainty to give companies pause.

"Best laid plans sometimes get delayed because of what's going on in the world," Taggart said. "I would love to see things settle down a bit."

Also, he said, one of the organizations tasked with the recruitment of businesses to Las Colonias, the Grand Junction Economic Partnership (GJEP), has been without a permanent executive director since Robin Brown resigned in July, 2021, to take a position with the Colorado Mesa University Foundation.

Since then, GJEP has been run in the interim by deputy director Steve Jozefczyk.

City Council member Abe Herman, who sits on GJEP's board, said the partnership hopes to have a permanent director onsite by early May.

OUTDOOR RECREATION BUSINESSES

Dragoo said the two keys to attracting the outdoor manufacturing businesses to the Colorado Outdoors campus have been job creation and synergy with other outdoor companies.

"There are a lot of makers of things in our project," Dragoo said.

Other reasons companies have cited for moving to Colorado Outdoors include wanting to make a difference in the community and proximity to outdoor recreation opportunities, Dragoo said.

Many tenants at Colorado Outdoors are outdoor manufacturing-related, but not all of them are.

One of the differences between Las Colonias and Colorado Outdoors is that Las Colonias limits companies it's looking for to the outdoor manufacturing and tech industries.

Colorado Outdoors has no such restriction.

"We're trying to recruit great companies, and many of those are outdoor companies," Dragoo said. "But some are just great companies."

Taggart, for his part, said he thinks Las Colonias can be filled using strictly outdoor recreation and tech

businesses, although more outdoor companies would be ideal.

Some of the companies occupying Bonsai's building don't fit that mold.

He also said he hasn't heard any talk of companies from other industries wanting to move in.

"I think we're going to need to be flexible," Taggart said.

NEW DISTILLERY ... IN MONTROSE

One of the newest tenants to announce plans to move to Colorado Outdoors is Shelter Distilling, a distillery now based in Mammoth Lakes, California, that announced plans to move its operations to Montrose in early 2022.

The distillery will produce and distribute canned cocktails and all manner of spirits, and operate a restaurant and patio area overlooking the Uncompahgre River.

"That'll be wonderful for everyone," Dragoo said.

Shelter Distilling co-founder Jason Senior said when the company was looking at places to move, it was attracted to Colorado because of friendly laws for craft brewing and distilling, as well as proximity to outdoor recreation opportunities, which really drives the company, its brand and its employees.

"It's not just the company that's moving," fellow co-founder Karl Anderson said. "It's people, too."

Anderson said Montrose was about as close to a mountain town the company could get without being right in it.

In addition to outdoor recreation opportunities, the nearby mountains also provide water sources, which are important for brewers and distillers.

Anderson said Shelter Distilling looked all around the West and strongly considered Reno, Nevada, before deciding on Montrose.

Reno is close to the outdoors, but too desert-y, Anderson said. It also felt like too big of a city for their lifestyles.

The three co-founders (Matt Hammer is the other) heard about Colorado Outdoors from a friend. They decided Montrose is a big enough town to support their distillery's bar, while maintaining more of a community feel.

It also offers easy

access to Grand Junction and Interstate 70.

The company looked at Grand Junction, too, Senior said, describing it as a "good backup plan."

The group is hoping to break ground this summer on a building, as long as building costs allow, with a construction time of eight to nine months.

Colorado Outdoors also includes Basecamp, a 20-acre residential development on the campus.

Right now, crews are working to put up 96 market-rate apartment units.

The development is slated to eventually include 168 apartments, 48 townhouses and 44 duplexes.

Dragoo said he expects apartments will start opening up this summer.

OTHER AMENITIES

One of the big selling points for Colorado Outdoors is its early childhood center, an expansion of the Maslow Academy of Applied Learning that was announced Feb. 5.

It will be called Bright Beginnings at Colorado Outdoors and will serve up to 70 children from infants to preschoolers.

"The first questions we get from someone looking to move here are 'where am I going to live' and 'where am I going to put my kids,'" Dragoo said. "We can have some answers for them and make things like that easier."

Dragoo said people started working on the Colorado Outdoors project in 2016 and started looking for grant money and designing the campus in 2017.

Construction for various tenants started in 2019 and continues today.

Dragoo said the project is on pace for its projected 25-year buildout, although some things slowed down because of COVID-19, as they did everywhere.

Las Colonias business park hasn't filled out as quickly as hoped, but Taggart said he's pleased with how some of Las Colonias's other amenities, such as the Las Colonias Amphitheater, have turned out.

The amphitheater's upcoming slate of concerts includes Snoop Dogg, Cody Johnson, ZZ Top, Boz Scaggs and comedian Ron White.

Bonsai Design is slated

to install a zipline from Eagle Rim Park across the Colorado River to Las Colonias Park, which Taggart said he's excited for.

"I'm delighted about that because it will bring another energy level," Taggart said.

The city of Grand Junction is leading the way on a feasibility study for a public market in the vein of Seattle's Pike Place Market that could be at Las Colonias.

Taggart said some of the issues that caused RockyMounts and Bonsai Design headaches have been resolved.

Previously, Bonsai Design and RockyMounts had trouble securing construction loans, partially because the lease terms for the building pads were only 25 years. That has been changed to 99 years.

Also, Taggart said, Las Colonias should get a boost when the nearby Dos Rios development starts being built.

Dos Rios developers announced plans for a 35,000-square-foot food, beverage and retail space last week that could break ground this year.

ECONOMIC DEVELOPMENT

The important thing, Dragoo said, is the opportunity zones are bringing economic development to the region.

Every job created in Montrose is equal to 30 jobs created in a larger metropolitan area, he said.

Dragoo said he thinks success for Colorado Outdoors and Las Colonias is mutually beneficial.

Some businesses fit different counties better, he said.

"We look at the Western Slope as playing for a team you don't know you're on," Dragoo said.

Taggart said he thinks Las Colonias just needs one or two breaks to get back on track.

He noted there has been a great deal of infill development in the area near Las Colonias, even though the business park hasn't been built out. This will hopefully help attract some tenants and give Las Colonias some momentum.

"It really is a fabulous location," Taggart said.