

Town of Rangely

RDA Packet October 18, 2018 @ 7:30am



1 – Agenda



GUIDELINES FOR PUBLIC INPUT

Public Input is a vital and important portion of every meeting and will be permitted throughout the meeting, but according to the following guidelines:

- a. Public input is allowed during the Agenda identified <u>Public Input</u> and <u>Public</u> <u>Hearing</u> portion of the meeting.
 - If you would like to address the meeting during the appropriate times, please raise your hand and when called upon you will be asked to come to the podium. *Announce your name* so that your statements can be adequately captured in the meeting minutes.
 - ii. *Please keep your comments to 3-5 minutes* as others may want to participate throughout the meeting and to insure that the subject does not drift.
- b. Throughout the meeting agenda calls for public input will be made, generally pertaining to specific action items. Please follow the same format as above.
- c. At the conclusion of the meeting, if the meeting chair believes additional public comment is necessary, the floor will be open.

We hope that this guideline will improve the effectiveness and order of the Town's Public Meetings. It is the intent of your publicly elected officials to stay open to your feelings on a variety of issues.

Thank you, Rangely Mayor

Agenda RANGELY DEVELOPMENT AGENCY (RDA) Town of Rangely Conference Room

*** October 18, 2018 @ 7:30 a.m. ***

Brad Casto, Chairman

Jason Krueger – Vice Chair Karen Reed Andrew Key Treasurer – Lisa Piering Keely Winger Konnie Billgren Vacant Position

Ex-Officio

Rio Blanco County Commissioner – Jeff Rector School District Representative – Joyce Key Library District Board Representative – Sandy Payne RJCD Board Representative – Ron Granger Rio Blanco Water Conservancy Dist. – Vince Wilczek Rangely District Hospital – John Payne

1) Call to Order

- 2) <u>Roll Call</u>
- 3) Minutes of Meeting
 - a) Discussion and Action to approve the minutes of August 18, 2018
- 4) Changes to the Agenda

5) Public Input

- 6) Old Business
 - a) Tabled: Discussion and Action to accept the engagement letter for Paul Benedetti to represent the RDA as we work to update our Urban Renewal Plan
 - b) Discussion regarding the current board configuration as voted on in 2017
 - c) Update on the video script produced by Josh Jackson and Company
 - d) Update from the CO-OP Committee

7) <u>New Business</u>

- a) Discussion and Action to approve the Draft 2019 Budget
- b) Discussion and Action to approve the Sept 2018 Financials
- c) Discussion and Action to approve the Agreement between the Rangely Development Agency, the urban renewal entity for the Town of Rangely and Senergy Builders LLC. Satisfying and cancelling the note of \$120,000 on the Sagewood project from the agreement in June 2012
- d) Discussion regarding the Business Plan and Grant/Loan Proposal for Country Bandit K-9 Services
- 8) Information
- 9) Adjourn

3 – Minutes

Minutes RANGELY DEVELOPMENT AGENCY (RDA) Town of Rangely Conference Room

*** August 16, 2018 @ 7:30 a.m. ***

Jason Krueger – Vice Chair Karen Reed Andrew Key Treasurer – Lisa Piering Brad Casto, Chairman

Keely Winger Konnie Billgren Vacant Position

Ex-Officio

Rio Blanco County Commissioner – Jeff Rector School District Representative – Joyce Key Library District Board Representative – Sandy Payne RJCD Board Representative – Ron Granger Rio Blanco Water Conservancy Dist. – Vince Wilczek Rangely District Hospital – John Payne

- 1) Call to Order
- 2) <u>Roll Call</u> Brad Casto, Jason Krueger, Karen Reed, Keely Winger, Konnie Billgren, Jeff Rector and Lisa Piering were present.
- 3) Minutes of Meeting
 - a) Discussion and Action to approve the minutes of July 19, 2018 Motion to approve the minutes of July 19, 2018 made by Konnie Billgren, second by Joyce Key, motion passed.
- 4) Changes to the Agenda
- 5) <u>Public Input</u> Keely Winger stated that AGNC is currently working on a comprehensive economic development strategy. At the meeting last Friday they asked for letters of support and Keely is wondering if the RDA would provide those letters. Keely stated that because Rangely is not distressed enough, we don't qualify for a lot of federal economic grants or money funding opportunities. This is a regional economic development strategy that will make us eligible because we are part of the region for federal grants. Brad stated that he feels we could provide letters of support and Konnie agreed. Peter asked who these are directed to, Keely stated Bonnie or Tiffany.
- 6) Old Business
 - a) Tabled: Discussion and Action to accept the engagement letter for Paul Benedetti to represent the RDA as we work to update our Urban Renewal Plan
 - b) Discussion regarding the current board configuration as voted on in 2017 Peter sated that the minutes from last August are in the packets. The town attorney advised us that this would be ok. Paul Benedetti who is the URA attorney stated that it would be fine except that if you get in to a TIF related project, it could create some damages if you vote on a TIF project with 11 board members. If you start moving towards a TIF, you might have to move up to 13 members. Brad asked if we are fine then. Peter stated yes, he doesn't think anyone will question it. Peter stated that James Dillon had asked to be considered as a board member. Lisa stated that we are still short a member on the RDC. Joyce asked if we want to undo our

decision and go back to 13. Lisa stated that we still have this board position to fill and asked if those who aren't the special districts representatives can come to the meeting but not be on the board. Peter stated that the statute states that 13 members can be appointed and those who initially came on as special district reps. could now still be on the board and not necessarily representing the special districts since John would be that appointee. Peter states that Dan stated as long as we aren't considering a TIF project, 11 members will be ok. Lisa asked if we are going to appoint one of them to the RDC or appoint a member to be on the RDA/RDC and go to 13. Peter stated that if we have sufficient members, we can move one to the RDC. Right now we have 12 on the board. Brad stated that we could leave it as it is and appoint James Dillon to the RDA/RDC and be fine. Peter stated yes. Brad sked if we move one of the people over, could James not be on the board. Lisa stated that we wouldn't need to move anyone, we could just appoint him as a RDA/RDC board member. Sandy asked if that appointment has to come from Andy Shaffer. Peter stated yes, we would nominate someone and then the town board would approve it. Karen asked if we have an 11 member board, we come in to conflict if we have a TIF project. Peter stated yes. Karen asked if we could just increase it at that time. Brad stated that the people that are on the board may not be representing a special district and then we will have to back track. John stated that the way it would be set up is that he would go to the meetings and be privy to what is going on and pass that information on. Joyce asked Ron and Sandy what they are thinking because it effects them directly. Sandy stated that she does not mind staying on the board but that she does not want to be acting like she is somewhat the library representative. Brad feels that if it is our goal to do a TIF project, then we should move to a 13 member board so that everything is covered. Motion to follow the Colorado state statutes for Urban Renewal Authorities made by Keely Winger, second by Konnie Billgren, motion passed.

- c) Update on the video script produced by Josh Jackson and Company Peter states that Josh has the script completed and storyboarded and they are now doing a casting call. Jason stated that he met with Josh yesterday and it is their goal to have everything done by the end of October and they will start filming in the next few weeks.
- d) Update from the CO-OP Committee Peter states that we received approval of our preapplication for the Fresh Food financing and we now have to do the full application. Konnie states that we have a phone meeting on Monday at 3:00. Konnie asked that it be approved that the board pays for lunch for her and Keely to go to the meeting in Moab. The board agreed.

7) <u>New Business</u>

- a) Discussion and Action to approve the July 2018 Financials Motion to approve the July 2018 Financials made by Joyce Key, second by John Payne, motion passed.
- b) Discussion regarding the Business Plan and Grant/Loan Proposal for Country Bandit K-9 Services – Peter stated that Katelyn Carlson could not be here today because she had an early appointment. Katelyn has over 20 regular customers and is working from her home. Shew would like to occupy the home that is owned by her aunt and is located behind Kum & Go. There would need to be about \$4,500 in interior work done and the rent is projected to be \$500 per month. Katelyn has not yet received final approval from her aunt to move forward with this. Peter stated that they will be asking for anywhere between \$0-\$11,000 to support their project and this will probably come before the board for approval at the next meeting. Katelyn is also taking training for dog obedience so that she can offer that service to people as well. Joyce asked if we changed our policy on interior vs exterior. Brad stated that was for a Façade grant. Sandy states that Katelyn's clients are really raving about her. Peter stated that she did a fantastic job on his border collie.

- c) Discussion regarding the progress of the contract renewal for Senergy Builders Brad states that he now thinks that we should try and buy the one unit and try and sell it within one year of purchase. There may be a possible buyer lined up for it and in the interim it would provide about \$14,000 per year in income for the RDA. Karen is concerned with the statement of might have a buyer. We don't have a huge market right now. Lisa stated that this income would benefit everyone. Karen asked what if it doesn't sell within a year. Brad stated that it will stay on the market until we sell it and we will continue to make money from it. Karen asked if we had an appraisal on it. Peter stated yes, \$128,000 on the ranch style unit. Konnie asked what we will propose to the owner. Peter stated it would be straight across at \$128,000. Joyce asked if a vote or consensus was needed. Brad stated a consensus would be good if everyone is ok with it. The board agreed.
- 8) Information
- 9) <u>Adjourn</u> Adjourned at 8:00 a.m.

6 – Old Business 7- New Business

TOWN OF RANGELY, COLORADO RANGELY DEVELOPMENT AGENCY FUND REVENUES 2019 BUDGET

Account	Description	Year 2017 Actual	Year 2018 Approved	Year 2018 Estimated	Year 2019 Proposed
73-30-100	HOUSING REVENUE	54,894	143,000	52,563	55,000
73-30-200	INTEREST EARNINGS CD	112	120	96	200
73-30-500	MISCELLANEOUS INCOME	15,968	85,000	55,000	25,000
	TOTAL RDA FUND REVENUES	70,974	228,120	107,659	80,200



Total RDA Fund Revenues

TOWN OF RANGELY, COLORADO RANGELY DEVELOPMENT AGENCY FUND EXPENSES 2019 BUDGET

		Year 2017	Year 2018	Year 2018	Year 2019
Account	Description	Actual	Approved	Estimated	Proposed
73-40-220	PROF/TECH SERVICES	24,974	5,000	10,221	5,000
73-40-250	HOUSING MANAGEMENT EXPENSE	47,850	21,000	41,055	35,000
73-40-255	HOUSING RENTAL EXP/FEE	-		-	-
73-40-260	BUILDING & MAINTENANCE	2,207	1,000	1,955	1,000
73-40-270	UTILITIES	227	100	212	100
73-40-300	MARKETING	1,557	700	-	1,000
73-40-301	GRANT EXPENSE	30,470	40,000	34,500	35,000
	TOTAL OPERATING	107,285	67,800	87,943	77,100
73-40-700	CAPITAL OUTLAY	-	-	-	-
73-40-800	CAPITAL IMPROVEMENTS		-	-	
	TOTAL CAPITAL		-	-	
	TOTAL RDA FUND EXPENSES	107,285	67,800	87,943	77,100
	REVENUES OVER (UNDER) EXPENSES	(36,311)	160,320	19,716	3,100

Total Operating







TOWN OF RANGELY REVENUES WITH COMPARISON TO BUDGET FOR THE 9 MONTHS ENDING SEPTEMBER 30, 2018

ECONOMIC DEVELOPMENT FUND/RDA

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	REVENUES					
73-30-100	HOUSING REVENUE	5,175.00	44,430.00	143,000	98,570.00	31.07
73-30-200	INTEREST EARNINGS CD	.00	84.28	120	35.72	70.23
73-30-500	MISCELLANEOUS INCOME	.09	20,368.51	85,000	64,631.49	23.96
	TOTAL REVENUES	5,175.09	64,882.79	228,120	163,237.21	28.44
	TOTAL FUND REVENUE	5,175.09	64,882.79	228,120	163,237.21	28.44

TOWN OF RANGELY EXPENDITURES WITH COMPARISON TO BUDGET FOR THE 9 MONTHS ENDING SEPTEMBER 30, 2018

ECONOMIC DEVELOPMENT FUND/RDA

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	EXPENDITURES					
73-40-220	PROF/TECH SERVICES	2,122.80	9,181.42	5,000	(4,181.42)	183.63
73-40-250	HOUSING MANAGEMENT EXPENSE	.00	35,098.94	21,000	(14,098.94)	167.14
73-40-260	HOUSING MAINT/REPAIRS	.00	1,219.21	1,000	(219.21)	121.92
73-40-270	UTILITIES	20.64	185.76	100	(85.76)	185.76
73-40-300	MARKETING	.00	.00	700	700.00	.00
73-40-301	GRANT EXPENSES	.00	3,000.00	40,000	37,000.00	7.50
	TOTAL OPERATING EXPENSES	2,143.44	48,685.33	67,800	19,114.67	71.81
	TOTAL EXPENDITURES	2,143.44	48,685.33	67,800	19,114.67	71.81
	TOTAL FUND EXPENDITURES	2,143.44	48,685.33	67,800	19,114.67	71.81
	NET REVENUE OVER EXPENDITURES	3,031.65	16,197.46	160,320	144,122.54	10.10

AGREEMENT

This Agreement is made between Senergy Builders, LLC ("Senergy") and the Rangely Development Agency, the urban renewal entity for the Town of Rangely ("Town"), and is effective as of the date signed by both parties.

Recitals:

- A. On June 14, 2012, the same parties entered into a Housing Development Agreement ("HD Agreement") whereby Senergy built three duplexes within the Town (the "Units"), the Town contributed \$120,000.00 towards Senergy's costs of construction, and the Town managed the six units as rental properties.
- B. Pursuant to the HD Agreement, Senergy delivered its signed promissory note to the Town whereby Senergy promised to pay the Town \$120,000.00 on or before June 1, 2018 ("Note"). The Note was secured by Senergy's deed of trust dated June 29, 2018 ("Deed of Trust"), providing a second position to the Town with regard to Lots 10 through 15, Sagewood West Filing No. 3 subdivision, a part of the Town, County of Rio Blanco, CO ("Property").
- C. Said Note is now due and payable in full.
- D. The parties enter into this Agreement to satisfy and cancel the Note, cause the Deed of Trust to be released in exchange for Senergy conveying to the Town a duplex unit selected by the Town on the Property, by general warranty deed, free and clear of all liens and encumbrances, specifically including any liens or deeds of trust owned by the Bank of the San Juans, other than the inchoate lien for 2018 property taxes that are payable in 2019, which taxes shall be apportioned to the date of delivery of said general warranty deed to the Town.
- E. Senergy's first position lender, Bank of the San Juans ("Bank"), desires to assist the Town and its qualifying citizens, in part to fulfill the Bank's compliance with the Community Reinvestment Act ("CRA"), recognizing that the Town or the Units meet the standards set forth in the CRA. The Town desires to facilitate the Bank's efforts to implement the CRA. One option to be explored by the Bank and Senergy is to offer one or more of the Units for sale to qualifying individuals or a qualifying entity, such as the Rangely Development Agency, the Town's housing authority.
- F. One provision of the HD Agreement was that the Town would manage the Units for six percent (6%) of the gross rents received from renting the Units. Senergy benefitted from such Town management of the Units, as did the Town.
- G. Under the terms of the Note, no interest accrued on the principal balance until June 1, 2018, at which point interest has been accruing and will continue to accrue at a rate of twelve percent (12 %) per annum. In addition, the Note is now due and payable in full, and the Town has the right to

exercise its beneficial rights under the Deed of Trust and cause Senergy's interests in the Units to be foreclosed upon.

NOW THEREFORE, the parties agree as follows:

- 1. In consideration for cancelling the Note and all money otherwise owing to the Town under the Note or the Deed of Trust:
 - a. Within fifteen business days of mutual execution hereof ("MEC") Senergy shall cause to be delivered to the Town a current commitment for title insurance, with OEC coverage ("Title Documents") from the Rio Blanco Title Company (the "Title Company"), with respect to one of the Units selected by the Town ("The Unit"); if the Town does not accept the exceptions and condition of title to the Unit, as disclosed by the Title Documents within ten business days of receipt by the Town, this Agreement shall terminate as though it had never been signed by the parties and the parties will be in the positions they were immediately prior to mutual execution hereof;
 - b. The Town shall have ten business days to review the Title Documents. If the Town accepts the state of title of The Unit, as disclosed by the Title Documents, it shall notify Senergy and the Title Company, and the parties hereto shall schedule a closing to occur within sixty (60) days of the Town's notice to Senergy;
 - c. At the closing, Senergy shall deliver to the Title Company its fully executed general warranty deed to the Town for The Unit (the terms of which shall be acceptable to the Town in its reasonable discretion), subject only to exceptions accepted by the Town (the "Deed") but free and clear of any liens, interests or deeds of trust interests held or owned by the Bank or any other person, other than 2018 real property taxes with respect to The Unit. Real property taxes and utilities shall be apportioned to the date of closing as a credit to the Town or a payment by Senergy to the Town in order that the Town pays its proportionate share of the 2018 taxes that had accrued through the date of the closing;
 - d. At the closing, the Town shall deliver to Senergy the original Note, marked "paid in full" and the Town shall sign such documents, including a release, as to cause the Deed of Trust to be released;
 - e. Senergy shall pay the Title Company's closing fees, and the costs required to release the Deed of Trust and to record the Deed, and the Title Company's fees and charges required for the Title Company to deliver to the Town, post-closing, the title insurance policy with terms and conditions acceptable to the Town;
 - f. At the closing, the Town and Senergy shall execute a contract the terms of which shall be acceptable to the Town (the "Management Contract") whereby the Town will manage all of

the Units except The Unit in the same manner as the Town has managed the Units since 2012 with the only change being that the Town shall be entitled to retain, and be paid, out of the gross rents received by the Town, a property management fee of ten percent (10%) of gross rents received;

- g. The Contract shall provide that the Town's property management activities and management fees shall be guaranteed for a three year period ending on September 1, 2021;
- h. The Contract shall provide that the principal of Senergy, Darin Carei, shall be a guarantor of Senergy's promises made in the Contract;
- If the parties do not agree on the precise language and provisions of the Contract on or before the closing, this Agreement shall terminate as though it had never been signed by the parties and the parties will be in the positions they were immediately prior to mutual execution hereof;
- j. The Contract shall provide that from the rents received, after payment to the Town of its management fee, the Town shall also deduct all costs of repair, maintenance and upgrades to the Units and the Property, before paying the remainder to Senergy.
- 2. The parties stipulate and agree that adequate consideration exists to make this Agreement binding on the parties upon mutual execution.
- 3. The Town will cooperate, at no cost to the Town without the Town's written consent, with Bank efforts to provide benefits to the Town and its qualifying inhabitants.
- 4. Prior to the closing, the parties shall agree on the text of a Declaration (containing covenants, conditions and restrictions), whereby the Units shall be subject to payment of periodic dues and assessments to pay for exterior maintenance, party wall maintenance and repairs, roof maintenance and repairs, the maintenance of the lots on which the Units are situated and all general and limited common elements, and other expenses associated with townhome or condominium ownership; the Town, in the absence of sufficient participation by the owners of Units other than the Unit, shall have the right to act as an association of the owners of the Units, by an irrevocable power of attorney or other documents agreed to by the parties hereto. If the parties do not mutually agree on such Declaration at or before the closing, this Agreement shall terminate as though it had never been signed by the parties and the parties will be in the positions they were immediately prior to mutual execution hereof. The Town shall draft a Declaration for review and approval by Senergy, at the Town's cost.
- 5. Survey of Units

- a. If a survey of the property on which the Units are situated sufficient to make the Units, including the Unit, townhomes or condominium units (the "Survey"), has not been completed to date, Senergy shall cause the Survey to be prepared in part so that the Unit to be owned by the Town can be legally described separately from the other Units;
- b. If adequate Survey data is not found survey shall, among other things required by law, identify the boundaries of the Unit to be transferred, and the Unit, and the general and limited common elements associated with the Units and the lots on which the Units are located;
- c. If adequate Survey data is not found, Senergy shall cause such survey (the "Survey") to be completed within thirty days of mutual execution hereof, and shall submit the Survey to review by the Town; If the Town objects to the Survey, it shall notify Senergy in writing of its objections. If Senergy does not revise the Survey to satisfy the Town's objections within fifteen (15) business days of the Town's objection notice, this Agreement shall terminate as though it had never been signed by the parties and the parties will be in the positions they were immediately prior to mutual execution hereof;
- d. If adequate Survey data is not found, Senergy shall pay for the costs of the Survey.

Signed this	day of	_, 2018, by Darin Carei, manager and principal of Senergy Builders, LLC.
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Darin Carei, Senergy Builders	Date
Signed thisday of, 2018 by Rangely Development Agency.	, acting as Chairman for the Town of
Brad Casto, Rangely Development Agency	Date
Signed thisday of, 2018 by ANOY Rangely.	SHAPFEL, acting as $\frac{Rangely}{Rangely}$ Mayor for the Town of

Andy Shaffer, Mayor

10-9-18 Date



Way Outside of Ordinary

October 1, 2018

Senergy Builders LLC 518 28 Road, Ste A202 Grand Junction, Co 81501

Dear Sirs,

We understand that you desire to assist the Town of Rangely (EIN #84-6000713), and its urban renewal authority (the Rangely Development Agency) by donating \$27,500 towards the Town's property listed as 999 W Main Street.

We thank you for this contribution.

Sincerely,

Brad Casto, RDA Chairman

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Andrew Shaffer, Town of Rangely Mayor

Country Bandit K-9 Services BUSINESS PLAN

August 2018

Katelyn Carlson

Owner / Operator Country Bandit K-9 Services 155 South White Avenue Rangely, Colorado 81648 970-629-8404

countrybanditk-9@outlook.com Country Bandit K-9 Services on Facebook

I. Executive Summary

Business Overview

Offering K-9 services to help dogs put their best paw forward.

Products / Services Offered

Profession dog grooming and training at affordable prices.

Grooming Services include full service groom, full service bath, spa package. Additional services such as sanitary trim, flea relief, and nail pawlish are also available.

Canine Training Services include sit, stay, down, walking with a leash along with behavior problems such as lunging on a leash and aggression.

Pet Supplies including basic canine and feline supplies and expanding to include exotic pet supplies.

Success Factors

Country Bandit K-9 Services is uniquely qualified to succeed due to the following reasons:

- Products and/or Services: Our Products and/or Services are superior to our competitors because: This business offers the only complete grooming and training services within a 50 mile radius.
- Location: Our location allows us to better serve customers because: Customers have less time involved in transporting their pets long distances. Pets are more relaxed and will be back home in just a few hours versus a whole day.

II. Company Overview

Below is a snapshot of Country Bandit K-9 Services since its inception:

- Date of formation: 02-01-2018
- Is your business already in operation? Yes
- Legal Structure: Limited Liability Company
- Office Locations: My client base has already increased significantly and a larger work area is needed to accommodate future growth. I would also like to expand my business to include pet care items and natural pet foods. I am currently working on obtaining a larger more centralized location.
- Products and services were launched (include product/service names and dates launched): Complete grooming and training services since February 1, 2018.
- Other key company milestones or events: Our rural area offers a limited supply popular pet food brands. My clients have shown an interest in more healthy / natural brands and I am looking to offer these in the near future.

III. Industry Analysis

Industry Overview

Country Bandit K-9 Services operates in the Pet grooming and training market.

- Total monetary sales in this industry last year: \$5.73 billion
- Operators were in this industry last year: 296,400
- Industry's key product and service segments: Grooming and pet supplies
- Key market trends: Natural pet care products and food.
- Key market statistics: The job market in this industry is expected to grow 11% between 2014 and 2024 according to the Bureau of Labor Statistics.

Relevant Market Size

Our relevant market size is the annual revenue that our company could attain if we owned 100% market share.

Our relevant market size is calculated as follows:

- Number of customers who might be interested in purchasing our products and/or services each year? 75
- Amount these customers might be willing to spend, on an annual basis, on our products and/or services? \$300
- Our relevant market size: \$22,500

As the analysis shows, our relevant market is large enough for our company to enjoy considerable success.

IV. Customer Analysis

Below is a description of who our target customers are, and their core needs.

Target Customers

Below is a profile of our target customers:

- Age: We target individuals aged 25-60. Within 50 miles of our location, there are 2,500 people in this age range.
- Location: We target individuals within a 50 mile radius that live in the surrounding rural and city area.

Customer Needs

Below is a profile of the needs that our target customers have:

- Quality: Professional grooming and training services.
- Location: Located locally eliminates hours of travel and reduces potential stress on the pets.
- Price: Competivie pricing compared to corprate businesses.
- Convenience: Hours of operation accommodates communinty members busy schedules.

V. Marketing Plan

Our marketing plan, included below, details our products and/or services, pricing, promotions plans and distribution strategy.

Products, Services & Pricing

- Product/Service #1 Name: Full Service Groom
 - Product/Service benefits: bath, hair cut, nail clipping, ear cleaning, and expressing anal glands.
 - Product/Service Price: \$42.00 to \$72.00 (prises vary depending on size and breed)

• Product/Service #2 Name: Shedless

- Product/Service benefits: special shampoo and conditioner that helps break down the shedding process
- $\circ~$ Product/Service Price: \$15.00 to \$30.00 added to full service bath or groom

• Product/Service #3 Name: Full Service Bath

- Product/Service benefits: bath, brush out, nail clipping, ear cleaning, and expressing anal glands
- Product/Service Price: \$20.00 to \$60.00 (prises vary depending on size and breed)
- Product/Service #4 Name: 4 Star Spa Package
 - Product/Service benefits: upgrade shampoo and conditioner plus 2 more teeth brushing, nail buffing, nails painted, paw balm, or a blueberry facial
 - Product/Service Price: \$18.00 added to a full bath or full groom
- Product/Service #5 Name: Canine Training Services
 - Product/Service benefits: Training to sit, stay, down, walking with a leash along with behavior problems such as lunging on a leash and aggression.
 - Product/Service Price: \$20.00 an hour

Promotions Plan

Country Bandit K-9 Services will use the following tactics to attract new customers:

- Flyers: Flyers with company information are displayed at local business.
- Online Marketing: Country Bandit K-9 Services on Facebook
- Word of Mouth / Viral Marketing: Friends telling friends

Distribution Plan

Customers can buy from us via the following methods :

- Retail location: A central loacation allows for signs / banners to draw attention to the business.
- Other: Social media allows customers from multiple areas to know about the services and products available.

VI. Operations Plan

Our Operations Plan details:

- 1. The key day-to-day processes that our business performs to serve our customers
- 2. The key business milestones that our company expects to accomplish as we grow

Key Operational Processes

The key day-to-day processes that our business performs to serve our customers are as follows:

- Sales: Providing profession K-9 services and quality products.
- Customer Service: Friendly and dependable services at competitive prices.

Milestones

The key business milestones that our company expects to accomplish as we grow include the following:

- 1. To Be Completed By : 2018-02-01
 - Accomplishment #1: Grand Opening of Country Bandit K-9 Services
- 2. To Be Completed By : 2018-03-20
 - Accomplishment #1: Secured 20 repeat clients.
- 3. To Be Completed By : 2018-09-15
 - Accomplishment #1: Offer canine training services.
- 4. To Be Completed By : 2018-10-01
 - Accomplishment #1: Relocate to larger facility.
 - $\circ\,$ Accomplishment #2: Expand sales by offering healthy / natural dog food.

6

VII. Management Team

Our management team has the experience and expertise to successfully execute on our business plan.

Management Team Members

- Name : Katelyn Carlson
 - Title: Owner / Operator
 - Background: Certified in Canine Training and Behavior at the Animal Behavior Institute, Inc 2015. Certified Dog Groomer at Petco, Inc 2015.

Management Team Gaps

- Title/Role: Bather
- Key Functional Areas Covered: Part time position to bathe dogs prior to grooming.
- Qualities of the individual who will be sought to fill this role: Must be patient and work well with multiple dog breeds and types of behavior.

VIII. Financial Plan

Revenue Model

Country Bandit K-9 Services generates revenues via the following:

• Sales of products/services: 100% of business is generated from grooming / training services and sales of pet products.

Summary

Below is an overview of our expected financial performance over the next five years:

	FY 1	FY 2	FY 3	FY 4	FY 5
Revenues	\$23,091	\$25,623	\$28,445	\$31,589	\$35,092
Direct Expenses	\$3,816	\$4,262	\$4,764	\$5,328	\$5,964
Gross Profit	\$19,275	\$21,361	\$23,681	\$26,260	\$29,128
Gross Profit (%)	83.5%	83.4%	83.3%	83.1%	83%
Other Expenses	\$23,464	\$23,637	\$23,811	\$23,986	\$24,163
EBITDA	\$-4,189	\$-2,275	\$-130	\$2,273	\$4,964
Depreciation	\$0	\$0	\$0	\$0	\$0
Amortization	\$600	\$600	\$600	\$600	\$600
Interest Expense	\$0	\$0	\$0	\$0	\$0
Income Tax Expense	\$0	\$0	\$0	\$0	\$0
Net Income	\$-4,789	\$-2,875	\$-730	\$1,673	\$4,364

Funding Requirements/Use of Funds

To successfully execute on our business plan, we require \$11,000 in outside funding.

The primary uses of this funding include:

- Product Development: \$0
- Marketing: \$0
- Product Manufacturing: \$0
- Staffing: \$0
- Rent: \$6,000.00
- Other: \$5,000.00
- Other is defined as: Old School Maintenance has estimated it will cost \$4,500.00 to level one section of the building, adjust the plumbing for the bathing area, paint and caulk the exterior, and add a handicap ramp to the entrance. The additional \$500.00 would be used for required permits and any unforeseen expenses related to the improvements. The estimate is attached.

Financial Projections



Projected Sales, Gross Profit & Net Income

5 Year Annual Income Statement

		FY 1	FY 2	FY 3	FY 4	FY 5
Revenues						
	Revenues	\$23,091	\$25,623	\$28,445	\$31,589	\$35,092
Total Revenues		\$23,091	\$25,623	\$28,445	\$31,589	\$35,092
Direct Costs						
	Direct Costs	\$3,816	\$4,262	\$4,764	\$5,328	\$5,964
Total Direct Costs		\$3,816	\$4,262	\$4,764	\$5,328	\$5,964
GROSS PROFIT		\$19,275	\$21,361	\$23,681	\$26,260	\$29,128
GROSS PROFIT %		83.5%	83.4%	83.3%	83.1%	83%
Other Expenses						
	Salaries	\$11,541	\$11,599	\$11,657	\$11,715	\$11,774
	Marketing Expenses	\$240	\$240	\$240	\$240	\$240
	Rent/Utility Expenses	\$7,829	\$7,907	\$7,987	\$8,067	\$8,148
	Other Expenses	\$3,853	\$3,889	\$3,926	\$3,963	\$4,000
Total Other Expenses		\$23,464	\$23,637	\$23,811	\$23,986	\$24,163
EBITDA		(\$4,189)	(\$2,275)	(\$130)	\$2,273	\$4,964
	Depreciation	\$0	\$0	\$0	\$0	\$0
	Amortization	\$600	\$600	\$600	\$600	\$600
EBIT		(\$4,789)	(\$2,875)	(\$730)	\$1,673	\$4,364
	Interest Expense	\$0	\$0	\$0	\$0	\$0
PRETAX INCOME		(\$4,789)	(\$2,875)	(\$730)	\$1,673	\$4,364
	Net Operating Loss	(\$4,789)	(\$7,665)	(\$8,395)	(\$8,395)	(\$6,721)
	Use of Net Operating Loss	\$0	\$0	\$0	\$1,673	\$4,364
	Taxable Income	\$0	\$0	\$0	\$0	\$0
	Income Tax Expense	\$0	\$0	\$0	\$0	\$0
NET INCOME		(\$4,789)	(\$2,875)	(\$730)	\$1,673	\$4,364
	Net Profit Margin (%)	(20.7)%	(11.2)%	(2.6)%	5.3%	12.4%

5 Year Annual Balance Sheet

		FY 1	FY 2	FY 3	FY 4	FY 5
ASSETS						
	Cash	\$5,102	\$2,660	\$2,344	\$4,489	\$9,229
	Other Current Assets	\$1,999	\$2,219	\$2,464	\$2,632	\$2,924
	Total Current Assets	\$7,102	\$4,880	\$4,808	\$7,121	\$12,153
	Intangible Assets	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
	Acc Amortization	\$600	\$1,200	\$1,800	\$2,400	\$3,000
	Net Intangibles	\$5,400	\$4,800	\$4,200	\$3,600	\$3,000
	Fixed Assets	\$0	\$0	\$0	\$0	\$0
	Accum Depreciation	\$0	\$0	\$0	\$0	\$0
	Net fixed assets	\$0	\$0	\$0	\$0	\$0
	Preliminary Exp	\$0	\$0	\$0	\$0	\$0
TOTAL ASSETS		\$12,502	\$9,680	\$9,008	\$10,721	\$15,153
LIABILITIES & EQUITY						
	Current Liabilities	\$2,292	\$2,345	\$2,403	\$2,442	\$2,510
	Debt outstanding	\$0	\$0	\$0	\$0	\$0
	Total Liabilities	\$2,292	\$2,345	\$2,403	\$2,442	\$2,510
	Share Capital	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000
	Retained earnings	(\$789)	(\$3,665)	(\$4,395)	(\$2,721)	\$1,642
	Total Equity	\$10,210	\$7,334	\$6,604	\$8,278	\$12,642
TOTAL LIABILITIES & EQUITY		\$12,502	\$9,680	\$9,008	\$10,721	\$15,153

5 Year Annual Cash Flow Statement

		FY 1	FY 2	FY 3	FY 4	FY 5
CASH FLOW FROM OPERATIONS						
	Net Income (Loss)	(\$4,789)	(\$2,875)	(\$730)	\$1,673	\$4,364
	Change in Working Capital	\$292	(\$166)	(\$186)	(\$128)	(\$224)
	Plus Depreciation	\$0	\$0	\$0	\$0	\$0
	Plus Amortization	\$600	\$600	\$600	\$600	\$600
	Net Cash Flow from Operations	(\$3,897)	(\$2,442)	(\$316)	\$2,144	\$4,739
CASH FLOW FROM INVESTMENTS						
	Fixed Assets	\$0	\$0	\$0	\$0	\$0
	Intangible Assets	(\$3,000)	\$0	\$0	\$0	\$0
	Net Cash Flow from Investments	(\$3,000)	\$0	\$0	\$0	\$0
CASH FLOW FROM FINANCING						
	Cash from Equity	\$11,000	\$0	\$0	\$0	\$0
	Cash from Debt financing	\$0	\$0	\$0	\$0	\$0
	Net Cash Flow from Financing	\$11,000	\$0	\$0	\$0	\$0
	Net Cash Flow	\$4,102	(\$2,442)	(\$316)	\$2,144	\$4,739
	Cash at Beginning of Period	\$1,000	\$5,102	\$2,660	\$2,344	\$4,489
		\$5,102	\$2,660	\$2,344	\$4,489	\$9,229

8 – Information

New options open up for future pilots in Colorado

Oct 9, 2018, 9:35am MDT

The skies just opened up for aviation students in the region thanks to an expanded partnership between Metropolitan State University of Denver and Colorado Northwestern Community College.

The enhanced agreement opens another, much-closer airport for Denver-area students enrolled in MSU Denver's aviation program, and reduces the number of flight hours required to get in the air from 1,500 hours to 1,250 hours, assuming certain standards are met.



ALYSON MCCLARAN, PROVIDED BY MSU DENVER

MSU Denver President Janine Davidson and Duncan Koerbel prepare an aircraft for flight on Thursday, Oct. 4 at Front Range Airport.

"Commercial airlines, especially regional carriers, are facing growing challenges with identifying qualified candidates to fill needed pilot positions," said Jeffrey Forrest, professor and chair of the MSU Denver Aviation and Aerospace Science Department in a release. "This agreement enables us to offer students additional options for flight training and academics, while addressing the latest update to FAA pilot-qualification standards."

The relationship between MSU Denver and CNCC is about four years old. In its original form it simply allowed students from both schools to enroll in classes at either institution while gaining flight training at a rate 10 to 15 percent lower than that of a traditional flight school. Much of that training, though, had to be performed at Rangely Airport, which houses CNCC's flight program, and is a five-hour drive from Denver.

The new articulation agreement includes the leasing of an existing 1,300-square-foot facility at Front Range Airport in Watkins, which is a comparably short drive at 45 minutes from MSU Denver. The facility will serve as a joint academic facility, with classrooms and office space for flight instructors, and include hangar space for three CNCC aircraft. MSU Denver plans on moving a flight simulator to the airport as well.

The Federal Aviation Administration recently approved a commercial spaceport license for Front Range Airport, and that will likely create future possibilities for relationships between both schools and the aviation industry.

MSU Denver has inked deals with Lockheed Martin, United Airlines, York Space Systems and even the Environmental Protection Agency in recent years.

MSU Denver's president, former Air Force pilot and Undersecretary of the Navy Janine Davidson last year told Denver Business Journal she's looking to forge even more ties with the private sector to beef up the school's aerospace and other programs.

2013 Federal Aviation Administration rules require pilots and co-pilots who fly for U.S. passenger and cargo airlines to have 1,500 hours of flight experience under their belt. The new agreement reduces that requirement to 1,250 hours for students who follow all required FAA regulations to obtain a restricted Airline Transport Pilot certificate. A restricted privileges ATP certificate allows a pilot to serve as a co-pilot until he or she obtains the required 1,500 hours.

"This is a great example of a collaborative effort between two of Colorado's premier aviation learning institutions to provide an enhanced pilot training program for students," said David Boles, CNCC aviation program director in the statement. "We are establishing a bridge that helps improve access and address education needs from Colorado's Western Slop to the Front Range."



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