

## **DUS News Digest**

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Insurance exec Rob Cohen the go-to guy for help on Union Station project

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September 19, 2010

By Aldo Svaldi, Denver Post



Rob Cohen, chairman and CEO of The IMA Financial Group, earlier this year agreed to build a \$30 million headquarters on the north wing of Union Station. It's a crucial private-sector commitment in plans for the multi-modal hub. (Diego James Robles, The Denver Post )

Denver insurance executive Rob Cohen remembers the pit he felt in his stomach on a chilly evening in the late 1990s.

He had just closed on a parking lot at 17th and Wazee streets for one of LoDo's first new office buildings, the headquarters of the company he heads, The IMA Financial Group.

Cohen recalls looking across the street as dusk set and spotting a vacant building that is now a restaurant. The windows were broken out and some guys were standing around a trash can with a fire in it on the third floor, trying to keep warm.

"I thought to myself, 'My God, what have I done?' "

Now, Cohen's at it again, helping to push forward the redevelopment of Union Station during one of the worst real estate markets in decades.

Earlier this year, Cohen, 48, IMA's chairman and CEO, agreed to build a \$30 million headquarters on the north wing of the station for his insurance brokerage.

"IMA stepping forward to be the anchor tenant in the first building is a big deal in helping this project get kick-started," said Frank Cannon, development director for the Union Station Neighborhood Co.

The investment represents a crucial private-sector commitment in the plans to create a multi-modal hub at Union Station, complete with light-rail lines to Denver International Airport and Golden.

Cohen acknowledges there is risk. He's using his own personal funds. But it isn't speculative.

IMA has outgrown Millennium Financial Center, which it shares with the Denver law firm Davis Graham & Stubbs, and needs to move.

The investment in Millennium paid off well for Cohen and his partners, who sold in late 2008 before the commercial real estate markets cratered.

Opportunities to step up in the community and make a difference are rare, Cohen said, and for him it has happened twice.

"Denver is our home, it is part of our corporate fabric," he said.

### **Robert L. Cohen**

**Age:** 48

**Title:** Chairman and CEO of The IMA Financial Group Inc.

**Other:** Chairman of Metro State College board; founder and partner in Iron Gate Capital; founder and chairman emeritus of the Metro Denver Sports Commission; past chairman of the Denver Metro Chamber.

**College:** University of Texas, bachelor of science in finance and risk management.

**Family:** Wife Molly; children Kaley, Jonah, Cooper and Jake.

### **Some of Rob Cohen's other activities:**

**Nonprofit board memberships:** (past and present) Downtown Denver Partnership, Cherry Creek Arts Festival, Community College of Denver, Craig Hospital Foundation, Denver Art Museum, DPS Foundation, Junior Achievement.

**For-profit board memberships:** (past and present) Commerce Bank, Dovetail Solutions, USR Inc., UMB Bank Colorado, Intertech Plastics.

**Professional memberships:** Colorado Concern, Colorado Forum.

### **Pillar of community**

Cohen has built himself into a pillar of the Denver business community since he moved here in 1989 to start a branch of IMA.

He is past chairman of the Denver Metro Chamber of Commerce, founded the Metro Denver Sports Commission, and is chairman of the board of trustees for Metropolitan State College of Denver.

Denver Mayor John Hickenlooper said he counts Cohen among the handful of people he can turn to in the community to tackle difficult tasks that need to be done well.

"Rob Cohen has never said 'no' to me, or for that matter, this city, and we're all better off for it," he said.

Friends and associates say Cohen doesn't volunteer just to drum up business or to boost his social standing.

"You run into people, probably 1 percent of your volunteer leadership is like that, who have a way about them and a passion for the place they live," said Tom Clark, executive vice president of the Metro Denver Economic Development Corp.

Clark was one of the first people Cohen met with when he moved to Denver and said he knew right away Cohen would become chairman of the chamber someday, which he did in 2006.

It wasn't until years after they met that Cohen even talked in depth about IMA, Clark said.

Much of what Cohen does in his life doesn't carry a business benefit — at least directly. For example, he sponsors a group of inner-city minority kids at Heritage Estates in Denver as part of the I Have a Dream Foundation.

"We could always come to him for advice or help in any way, resources, getting an internship or doing different things," said Oumar Diallo, one of the 34 students that Cohen and his wife, Molly, "adopted."

Diallo, born in Guinea, is currently a junior at Carleton College in Minnesota, with plans to obtain an advanced degree in public health.

"Without him and the program, I wouldn't be where I am," he said. "What he did was give us the opportunity to see what is out there."

### **Involved at an early age**

Cohen, who grew up in a middle-class Jewish family in Wichita said his parents emphasized the importance of being involved in the community at an early age.

His mother would take him and his sister to visit orphanages. The morning after Halloween she would have them split up their candy to share with less fortunate children.

He also recalls the restlessness that followed making 11 moves in nine years after leaving Wichita to attend the University of Texas at Austin in 1980. While his career was going well, he wasn't satisfied.

"What I realized was that for 18 years I had a place that was home that I gave to and that gave back to me," he said. "When I moved to Denver, this was going to be my home. I would give to it and it would give back to me."

Cohen, the third generation of his family in the insurance business, credits the IMA board and his co-workers with giving him the freedom to be so involved in the community.

"He is a very holistic person. It is family, community and business," said Bob Reiter, president of IMA Inc., the company's insurance subsidiary. "If you can create a business that feels like family, that is not a bad thing to have."

One way IMA Financial does that is through employee ownership. Everyone from Cohen to the receptionist has a stake in IMA, although no one person can own more than 20 percent.

The firm also takes some of its profits and uses them to repurchase 5 percent of the firm's value each year, making it easier for employees to cash out. It takes another 2.5 percent of profits and puts them into the IMA Foundation.

There are more than 40,000 insurance brokerages competing for business, but most don't grow large because the founders are often forced to sell when they want to get out.

IMA's employee ownership gets around that by creating motivated employees who treat the firm as their own. Cohen said that structure will ensure IMA remains independent and can transition to the next generation.

Although Cohen has been critical to IMA Financial's growth since taking over as chief executive in 1999, IMA doesn't need him to survive, Reiter said.

Cohen also credits IMA's board for understanding his need to be involved and giving him the space to do so.

"I wouldn't be good for IMA," Cohen said he has told his board, if they restricted his involvement. "I wouldn't be happy."

### **A closet architect**

Cohen keeps drawings of IMA's future headquarters in his office and studies them constantly, coming up with modifications and new ideas.

"I call the architect and say the awning needs to be longer here and shorter there," he jokes. "I'm sure they have some special names for me. What a lot of people don't know is that I am a closet architect."

Cannon said he and Cohen have spent hours walking the Union Station neighborhood, envisioning what it will become.

The historic station, which now includes a parking lot in the front and rail lines and a bus lane in the back, will eventually include a multi-modal transportation center, two new wings with office and retail space, and a large public plaza.

The IMA headquarters, on the north side, will cost about \$30 million to build. It uses a lighter color brick, worked in a way that borrows from patterns seen in nearby buildings, and blends it with more modern glass.

Cohen is putting up his own money, at least initially, along with Ed Haselden, CEO of Haselden Construction in Centennial.

"From the get-go this has been Rob's building, it is Rob's vision" said Haselden, who is a half partner with Cohen on the project until they find other investors.

The headquarters will allow IMA, the nation's 27th largest insurance brokerage with \$77.8 million in revenues last year, to grow from about 200 employees in Denver to 300 to 400 over the next 10 to 15 years.

Cohen also is making the building friendly to the public by opening the parking garage on evenings and weekends and incorporating an exterior staircase where people can sit and view the plaza below.

Those who know Cohen said he would be a natural to run for political office, not unlike another LoDo businessman — John Hickenlooper.

Cohen gives them a short answer: No.

"To be honest, the political process turns me off," Cohen said. "I don't think I have to be mayor or governor to make a difference."

Cohen, a registered independent, lists several reasons why he isn't happy with the political process and what it puts people through.

But then the insurance man, who weighs risks and rewards, takes over.

"Never say never," he said, noting that if the timing were right and someone appointed him to an office, he might consider it.

"But I have got a good deal here. I don't know why I would leave," he said.

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### **Near the top in a crowded field**

*Insurance brokers help businesses obtain insurance coverage and establish benefits programs. The field is crowded, with a handful of large national firms, several regional players and tens of thousands of individual brokers working local markets. The IMA Financial Group, based in Denver and Wichita, ranked 27th in the field, according to Business Insurance, an industry publication.*

Rank Company 2009 revenues

1 Marsh & McLennan Cos. Inc. \$4.94 billion

2 Aon Corp. \$2.67 billion

3 Willis Group Holdings \$1.67 billion

4 Wells Fargo Insurance Services Inc. \$1.56 billion

5 Arthur J. Gallagher & Co. \$1.52 billion

27 IMA Financial Group \$77.85 million

Source: [businessinsurance.com](http://businessinsurance.com)

September 20, 2010

By Peter Marcus, Denver Daily News

The White House says seven stimulus projects in Colorado are creating thousands of jobs and adding to an overall effort to "change America."

A report released Friday points to the seven Colorado projects as part of 100 stimulus projects highlighted by the White House as being "some of the most innovative and effective Recovery Act projects nationwide."

The projects in Colorado include:

A \$400 million for the Abound Solar Manufacturing, LLC facility in Longmont to manufacture thin-film solar panels. Expected to create 2,000 temporary jobs and 1,500 permanent jobs;

A \$45 million for UQM Technologies in Frederick to build a new electric vehicle propulsion plant. Expected to add 230 jobs by next year, growing its workforce from 70 to 300;

A \$28 million contribution to the \$500 million redevelopment of Denver Union Station. Expected to create 7,000 jobs during construction and add \$3 billion in new economic activity to Colorado over the next 20 years, according to the governor's office;

A \$3 million for a new interchange at Crossroads Boulevard and Interstate 25 in Loveland. Expected to handle about 24,000 vehicles per day. An average of 84 people worked on the project per month during construction;

A \$39.4 million to install 35 acres of solar panels on the roofs and grounds of the Denver Federal Center. Nearly 40 people have been put to work so far;

A \$500,000 to expand the Crossroads Safehouse in Larimer County from 15 units to 25 units; and

A \$10 million contribution to the construction of a tower for the senior and disabled at 1099 Osage St. in Denver. At least 50 construction/sub-contracting construction jobs will be created, according to White House officials.

Democratic Gov. Bill Ritter on Friday praised the \$814 billion economic stimulus bill signed in Denver last year for an anticipated injection of at least \$7.3 billion into the state by the time the dollars run out, and for creating, saving or "indirectly producing" 50,000 jobs in Colorado.

"The Recovery Act is helping Colorado's economy by investing in ambitious projects like the redevelopment of Denver Union Station and the expansion of Abound Solar in Longmont,"



Ritter said. “These projects are creating and retaining thousands of jobs, shifting the economy in the right direction and providing long-term benefits to the people of Colorado.”

Republicans and critics of the stimulus point to the nation’s nearly 10 percent unemployment rate in arguing that the stimulus has been a waste of money and a failure. The unemployment rate in Colorado has held relatively steady at around 8 percent. The state unemployment rate for July of last year was 8.1 percent.

Jeff Crank, state director for the conservative group Americans for Prosperity, told the Denver Daily News recently that the stimulus will only leave the country further in debt. He says the majority of the jobs created have been government jobs, including thousands of temporary jobs due to the Census count. Meanwhile, private sector employment continues to decline, said Crank. Crank also points to reports that the White House mistakenly double- and triple-counted jobs during stimulus impact counts. “The American people are growing in their concern for the amount of spending that is burdening our children and future generations,” he said last month. “I guess (the White House’s) only hope is to continue saying that it’s worked.”

September 23, 2010

By Scot Kersgaard. Colorado Independent

You may love it or you may hate it. Some complain that it is too big; others say it has not gone nearly far enough. One thing that is hard to argue, though, is that it has pumped billions of dollars into the Colorado economy. The American Recovery and Reinvestment Act, otherwise known as the stimulus, has been at least partly responsible for construction jobs all over the state.

The governor's office says the Act has resulted in \$7.3 billion in federal spending in Colorado, saving or creating 50,000 jobs, according to The White House Council of Economic Advisors (pdf). Projects range from loan guarantees that help Colorado businesses grow to grants awarded to small non-profits. The claim of 50,000 jobs is hard to prove and has been disputed, with some estimates saying fewer than 10,000 jobs have been created, many of them short-term.

Ritter spokeswoman Myung Oak Kim said it is impossible to know how many jobs have been saved or created. She said the White House number also includes jobs "induced," which she defined as created indirectly, i.e. service sector jobs that exist because other jobs exist.

She said every recipient of stimulus money has to report to the government how many jobs were created or saved. That number, she said, is about 18,000 FTEs (full-time equivalents). She noted, though, that only about a third of the money goes toward projects that come under that reporting, with the rest going to tax cuts, extended unemployment, etc.

About 50 percent of the money allocated for Colorado has been spent so far, she said. "As more money is spent, employment will continue to go up because of this."

Many of the jobs that have been created tie in with Gov. Bill Ritter's agenda of creating a green energy hub in Colorado. Abound Solar, in Longmont, received \$400 million in loan guarantees that enabled the company to expand production of thin-film photovoltaic modules. While Democrats tout the \$400 million number, probably only about \$100 million of it will be invested in Colorado, the rest being invested in expanding operations in Indiana.

"The DOE loan guarantee is essential to helping companies like Abound Solar scale up innovations in photovoltaic manufacturing that are critical to reducing the cost of alternative energy," said Abound President and CEO Tom Tiller.

The governor's office says a large majority of the funds are going for such things as tax cuts and tax credits for individuals and businesses as opposed to large bricks and mortar projects. A lot of it is also going to social service type programs (pdf) such as increased food stamp benefits and additional unemployment insurance payments.

"The Recovery Act has been a lifeline for Colorado," said Ritter said through a spokesperson. "It is providing a sensible balance of tax relief, increased safety net benefits for struggling families

and investment in important infrastructure projects that will have lasting benefits for communities across Colorado. The Recovery Act has saved or created tens of thousands of jobs.”

Jon Caldera, president of the Independence Institute, is one of the people not that happy about the stimulus. “It’s a terrific thing,” he said with his trademark sarcastic chuckle. “It has taught me how to use my children’s credit cards more effectively. Each of my children is already in debt \$44,000 dollars on the federal side alone, so what’s a little more?”

“There is no way that running up our debt is a good thing,” he said. “This is inter-generational theft, and it is reprehensible. Anyone caught within a mile of the stimulus bill should be publicly flogged,” he said.

The Colorado Independent called or emailed all three candidates for governor, but none responded to a request for comment. American Constitution Party candidate Tom Tancredo has been an outspoken critic of the spending bill.

Crossroads Safehouse is a good example of how money is being used to expand or strengthen the social safety net. The 30-year-old Larimer County non-profit, which provides housing and other services for victims of domestic violence, received a \$500,000 grant spread over three years. The money has allowed the safe house to provide more services to more people for longer periods of time.

Prior to receiving the funds, Crossroads had funds for 15 transitional living units for women or families that were able to leave the safe house and begin transitioning back into mainstream society. Now they have money for 25 such units.

Executive Director Vicky Lutz explained that Crossroads does not own living units but helps women pay their rent as they get back on their feet, going to school or looking for work. The additional money has helped with bilingual services, education and childcare as well. She said the center had 436 residents last year and served a total of 2,600 people.

Another social services recipient of funds was the Denver Housing Authority, which received \$10 million toward the construction of a \$21 million, 100-unit public housing facility at 1099 Osage. The city will break ground on the building Sept. 27. It will be built with geothermal heating and cooling as well as active and passive solar.

Even when it does come to construction projects, many of them are small, impacting small communities and small businesses that receive contracts, often for infrastructure improvements.

One such project was in Hot Sulphur Springs, which — without much money — was in hot water. Two years ago the state issued a “boil water” order in the small Grand County town. The town’s water fund contained just over \$160,000 at the time. The work needed was in the millions. Because of the stimulus, Hot Sulphur got the money. “It was a godsend to us,” Mayor Hershal Deputy told the local Ski Hi Daily News (pdf).

The \$3.3 million loan, \$2 million of which was forgiven and the rest of which was loaned without interest, was a godsend to more than the town.

Self-employed Littleton engineer Ed Duerr told the Colorado Independent the recession had hit him very hard. The Hot Sulphur project did more than keep his business above water. He says it provided him with the opportunity to work on an innovative project that will help people for many years.

“I wasn’t sure what I was going to be doing at the time, and my usual business partners had been hit hard as well. We were all scrambling. I know that a lot of people on this project were very glad when funding came through. There are a number of people, including myself, who have been working either part-time or full-time for over a year on this one project. At the end of the day, the stimulus was a very real deal for me and my business,” Duerr said.

He said the other companies he worked with — Merrick and Company and Garney Companies — were from Colorado as well. A “buy American” clause in the contract, he says, meant lots of business for other companies as well, including Siemens, which manufactured components for the project in Colorado Springs.

“A lot of folks in Colorado got a nice share of this one small stimulus project,” he said.

Lots of people have probably driven 6th Avenue between Kipling and Simms and wondered about all the solar panels going up on previously vacant land to the north. Bingo, it’s stimulus money, this time being spent at the Denver Federal Center. The \$39.4 million project currently employs 39 people from seven contractors, five of which are small businesses or disadvantaged small businesses.

Altogether, this solar installation will save the federal government between \$600,000 and \$700,000 a year in energy costs.

The Denver solar project is the largest single part of GSA’s effort to add 12 megawatts of solar power generation capacity at federal buildings nationwide — increasing solar power capacity by nearly 600 percent while generating enough renewable electricity to power 1,600 homes — the equivalent of removing 2,500 cars from the road, according to a spokesperson at GSA.

UQM Technologies, in Frederick, received \$45 million in stimulus funding to expand its facilities and ramp up production of electric vehicle propulsion systems. The company expects to grow from 70 jobs to 230, all in Colorado.

The \$500 million redevelopment of Denver’s Union Station has been boosted by a \$28 million grant from ARRA. That project will be complete in 2014.

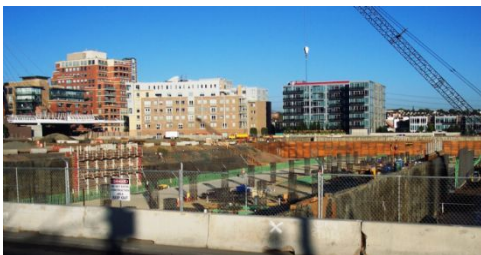
September 23, 2010

By Rick Anstey, Denver Infill Blog

At the end of the day today, all of the concrete will be poured for the bus terminal floor. Here is a photo of pouring the final section. About 15,000 cubic yards of concrete (1,500 truck loads) were needed to complete the job.



Here is a shot from the light rail station on Wewatta Street showing progress on the bus terminal walls. Eleven, 50 foot sections have been poured so far. As I mentioned previously, the wall is 19 feet high and two feet thick.



A new development today is the start of the plenum wall inside the bus terminal. In the center of the photo below, you can see the first form for that wall being placed to the left of the new, outside wall. The plenum is the conduit through which bus exhaust will be evacuated to the outdoors. I like to think of the process as exhausting the exhaust.



Last week, crews began working on cleaning up and landscaping the area bounded by the EPA building, 16th Street, Wewatta Street, and 15th Street. It is the area that, for a hundred years or so, was filled with railroad tracks. Those tracks were removed a few months ago. There is not much to see yet in the photo below. I will update you once the project starts to take shape.



Let's take a look at progress on the light rail station. The photo below shows a grader working on the base for light rail tracks. Dirt (road base?) was hauled in yesterday to raise the ground surface by two to three feet. Then it was graded and compacted. I'll be eager to tell you when they start laying tracks.



For more progress on the light rail station, see the photo below. Two handicap ramps have been started. This one is at the north end of the passenger platform.