THE NATION'S OLDEST WEEKLY BUSINESS JOURNAL

DENVER BUSINESS JOURNAL

VOL. 57, NO. 32 FEBRUARY 10-16, 2006 56 PAGES $2.00

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Industrial development taking off

Intersection of E-470, I-70 transformed from farmland to manufacturing

BY MICHAEL PERRAULT
DENVER BUSINESS JOURNAL

Some of the biggest global industrial real estate players are creating a formidable distribution, warehouse and manufacturing hub where the 47-mile-long E-470 beltway intersects I-70 in Aurora.

There, the toll road and interstate highway commingle with Union Pacific's railroad lines, and manufacturing and warehouse tenants are 10 minutes from the Denver International and Front Range airports.

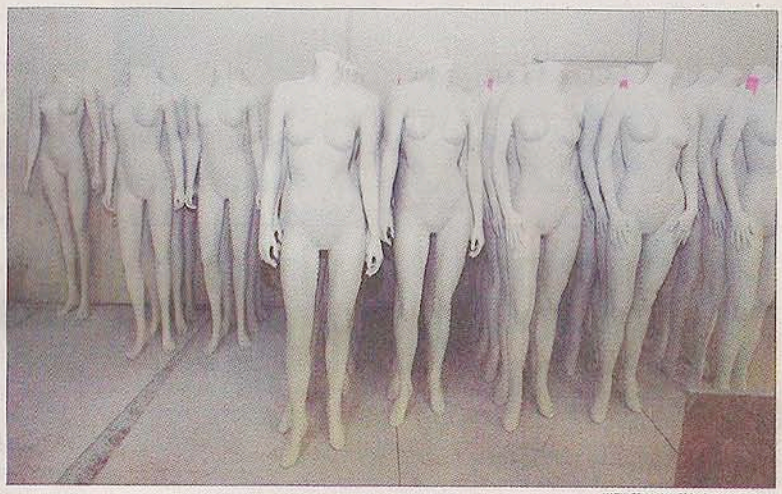
Industrial real estate companies such as Catellus, ProLogis, Lauth Property Group and Ringsby Realty envisioned the potential for an industrial center several years ago. They began buying up land when it was relatively cheap, said Wendy Mitchell, president of the Aurora Economic Development Council.

"At that point it was pretty much open farmland out there," Mitchell said. "Now that intersection is kind of the future of the industrial market from the standpoint of access to infrastructure."

Aurora-based ProLogis, now the world's largest industrial real estate company after a recent $4.9 billion merger with Catellus, began scoping out and comparing potential industrial sites across metro Denver several years ago, said Tyson Chave, ProLogis vice president of capital development.

"At the end of the day, that site was just the clear choice" to best accommodate its tenant customers, Chave said. "We're trying to leverage off air cargo distribution, certainly rail and truck traffic. If you look along the corridor, we

SEE INDUSTRIAL, A41



KATHLEEN LAVINE | BUSINESS JOURNAL

A row of mannequins at Fusion Equity in Broomfield nears the end of the manufacturing process. The company produces between 50,000 and 100,000 mannequins each year.

Making a mark with mannequins

BY BOB MOOK
DENVER BUSINESS JOURNAL

Imagine producing enough perfectly formed, immobile plastic bodies to match the population of Boulder every year.

While the image seems more like the premise of a bizarre science fiction movie, it's just a job for the 110 employees of Fusion Specialties Inc.

The Broomfield-based manufacturer engineers, sculpts, molds, sands and boxes 50,000 to 100,000 life-size mannequins annually to retailers — making it quite possibly one of the largest suppliers of mannequins in the world.

Fusion Specialties' clients include Banana Republic, Chico's, The Gap, Old Navy, R.E.I. and Victoria's Secret.

Jim Talaric, co-founder of privately held Fusion Specialties, estimates that manufacture of fashion mannequins is a $100 million industry.

Most mannequin-makers are privately held, so it's difficult to say how much any one of them really makes, said Larry Shore of DDI Magazine, an Atlanta-based trade publication that focuses on retail design.

Fusion Specialties' competitors mostly are

SEE FUSION, A40

Eco-devo ideas under scrutiny by Legislature

BY AMY FLETCHER
DENVER BUSINESS JOURNAL

From subsidies to help commercialize research to incentives for creating new jobs, proposals are being floated at the state Legislature to help spur economic development in Colorado.

Lawmakers already have said they don't want to create new tax credits this session, even though the passage of Referendum C in November gives them more leeway in spending state funds. But industry groups and economic development officials are getting creative, helping craft proposals designed to boost business in other ways.

One program would be open to any type of company that created jobs in Colorado; others target the bioscience industry, a small but growing industry the state wants to support because of its potential for high-paying jobs, among other things.

House Bill 1017, sponsored by Dale Hall, R-Greeley, would create $5 million in incentives for businesses that create a certain number of jobs — 10 in urban areas and five in rural areas — in a given month.

In the past, state lawmakers have been leery of providing economic incentives to employers, and the bill includes specific criteria to lessen the financial impact to the state.

HB 1017 says the new employees must stay with the company at least a year, and the new jobs must increase the size of the work force over the previous three-year average. That way employers can't hire and fire workers to qualify for the incentive.

And the average wage of the new workers

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Tips for getting the most out of your estate sale

Liquidating the contents of a home can be a daunting task. When there is a death in the family or perhaps a move to a retirement facility or elsewhere, it will likely be necessary to dispose of all or a large part of the belongings.

MARILOU HARRISON

Often family members are the ones who then have to make the decisions as to what to do with Aunt Susie's belongings. This can seem like an overwhelming job. Questions come to mind, such as should everything be given to family members or should there be a garage sale or should a professional liquidator be called? Knowing how to manage the process can be a huge relief.

Typically when a death is involved, it is especially difficult for family members to go through all the items in a home. The job can be both physically and emotionally demanding since there are feelings and history attached to almost every item. Hiring a professional can alleviate this burden. With estate liquidation information at your fingertips, the emotion and frustration are taken out of the equation, making the process relatively easy and possibly financially beneficial.

If you decide to hire a professional, try to interview several liquidators. Find a company with which you feel comfortable. They need to be knowledgeable about the items they will be selling as well as the local market and have the appropriate contacts to help them with the value of specialty items such as fine jewelry, fine art, rugs, etc.

If at all possible, attend a few sales to see the various companies in action. Note how they set up and advertise the sale, what kind of security they provide during the sale hours and how they interact with the customers.

The typical sale takes a week to prepare and a weekend to run. That time might be longer if it is a larger estate or if there is more work involved in the preparation or research of valuables. A financial report and a check for the proceeds are in the mail within 10 days following the sale.

Here are some considerations to keep in mind to help you in choosing a liquidator:

• **Don't throw anything away.** It's often human nature to tidy up or clean out what appears to be junk or trash. Skip this process. Let the liquidators do it. Yes, go through things enough to identify what is there and take what the family wishes to keep such as personal papers (bank, tax and medical records, old bills) and family photos. Leave everything else in place. You would be amazed that what people throw away can actually end up having enough monetary value to pay the fee for the professionals.

The value in the larger items such as furniture, silver, china, artwork and the like is easily understood but even small items such as postcards, old Christmas decorations and paper collectibles have value. All those small items in a household, such as things in kitchen cabinets, under the sink, in the garage, etc. — all contribute positively to the bottom line of the sale. The best sales have a good combination of both large and small items.

• **Be sure the professional company is licensed and bonded.** This ensures that you are dealing with legitimate business professionals. Ask for references and check their track record. High quality estate liquidators with a strong work ethic are available but can be a bit difficult to find.

• **Don't pay any out-of-pocket expenses.** If you are dealing with a legitimate estate liquidator, there should not be any upfront fees. The liquidators are compensated by a commission based on the total revenue generated by the estate sale. It is customary to pay somewhere between 25 percent and 50 percent of the sale proceeds, depending on the size of the estate and how much work is estimated to be involved in preparing the sale.

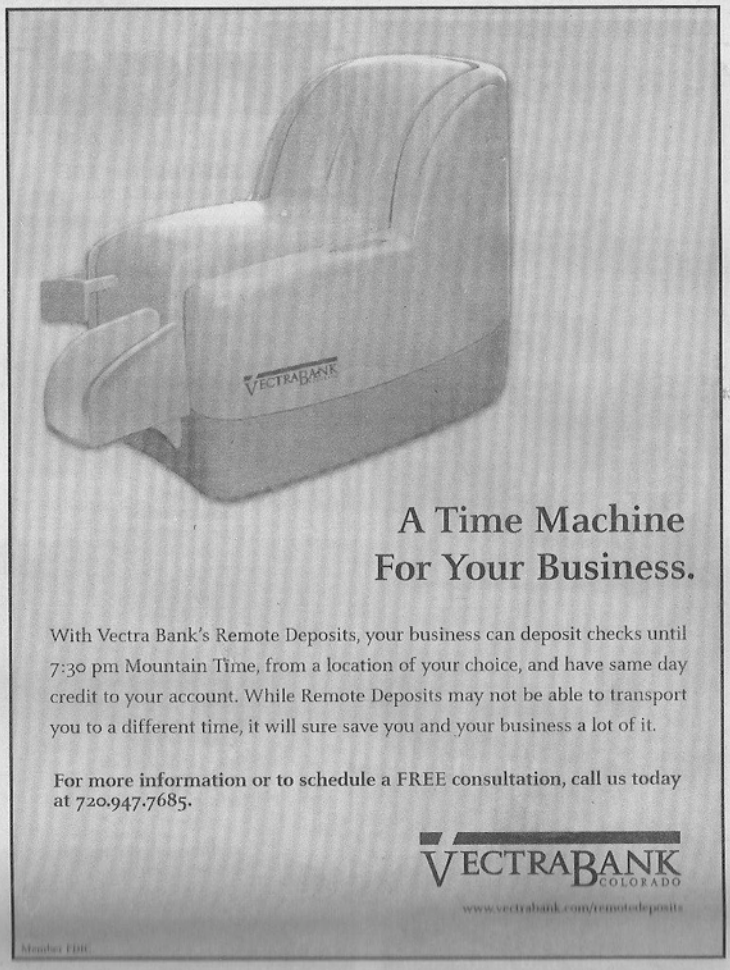
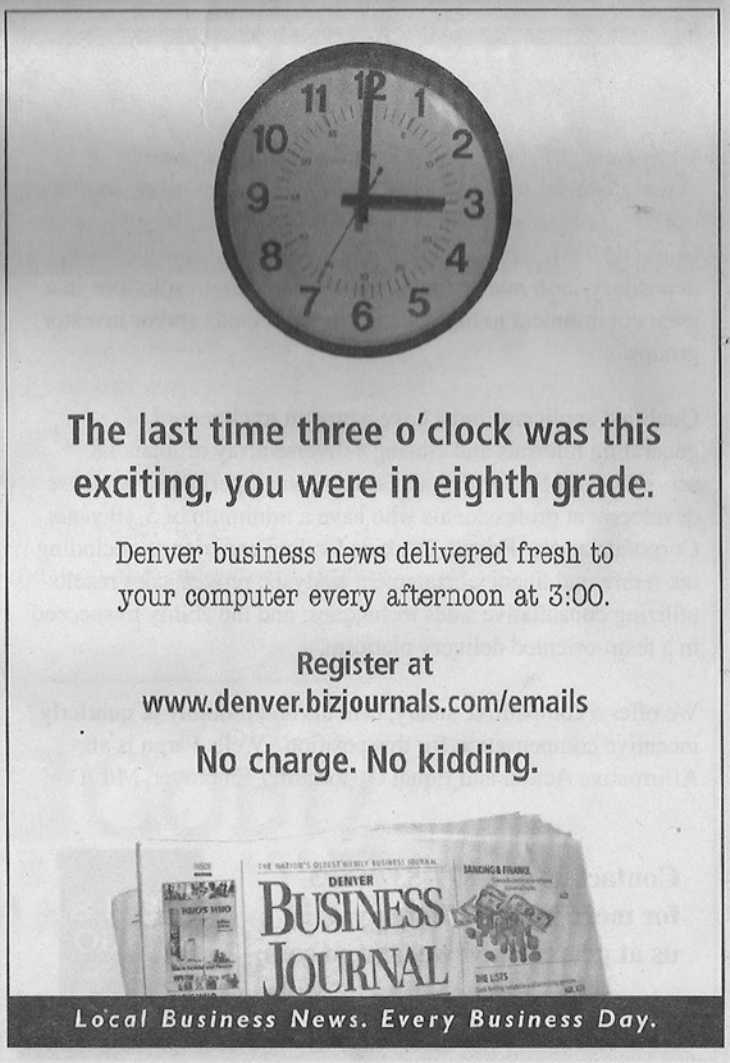
Keep in mind that a lower percentage does not necessarily ensure you a higher return.

• **Watch out for those with warehouses or stores.** This can present a conflict of interest for the liquidator. It is best to work with companies that do "on-site tag sales." They prepare, organize and price every item in the house. In this type of sale written bids are accepted on the larger ticket items — cars, antiques, artwork, jewelry, etc. This ensures that you get the highest dollar amount per item.

Typically when a death is involved, it is especially difficult for family members to go through all the items in a home. The job can be both physically and emotionally demanding since there are feelings and history attached to almost every item. Hiring a professional can alleviate this burden.

The liquidators can arrange for the house to be cleaned out at the end of the sale, leaving the house empty and vacuumed. Moving items to a shop or a warehouse for sale at a later date does not insure a higher return and lengthens the time before you receive your money by weeks or even longer.

• **Be sure they do appropriate advertising of the sale.** Ask about the company's marketing strategy. How do they get the word out to the public about the sale? Be sure they go above and beyond newspaper ads and street signs. Although those are great tactics to generate foot traffic to the sale, it's not enough. There are additional tools used by higher quality liquidators that bring in larger numbers of customers as well as generate customer loyalty. See if they have a Web site. Look at it. Is it of high quality? Does it portray a professional image? That will be a key indicator of the type of business with which you are dealing.

By keeping the above points in mind, the task of liquidating a household can be essentially hassle free and bring you the best return possible.

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