



KATHLEEN LAVINE | BUSINESS JOURNAL

From left: Rusty Reynolds, vice president of operations, Colorado Barricade Co.; Zach Frisch, principal, Raindrop Partners; Ted Ott, president, Colorado Barricade; and Jordan Scharg, principal, Raindrop Partners.

Highway Technologies now is Colorado Barricade

BY CATHY PROCTOR

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For years, the Denver branch of Highway Technologies Inc. provided traffic signs, cones and barricades to high-profile events statewide, including the Cherry Creek Arts Festival, Denver Broncos football games and A Taste of Colorado at Civic Center Park.

But on May 17, the Houston-based company closed its operations in Denver.

The closure of the Denver branch was part of the shutdown of Highway Technologies' 32 operations in 13 states, which included the termination of 740 employees, prior to the company formally filing for Chapter 11 reorganization on May 22 in the U.S. Bankruptcy Court in Delaware.

Closing the Denver branch left event coordinators, city public works department and other traffic safety companies scrambling to fill the void.

Now, less than three months later, the Denver branch of Highway Technologies has reopened under the name Colorado Barricade Co.

Colorado Barricade's new backers are Raindrop Partners, a private, Denver-based investment firm, which formed RDP Barricade Company LLC to make a bid for the Denver operations of Highway Technologies, according to Zach Frisch and Jordan Scharg, principals with Raindrop.

The sale, for \$775,000 plus assumption of liabilities, was via an auction overseen by the bankruptcy court and approved by the bankruptcy judge on July 11.

Raindrop has invested in a handful of other Denver-based companies, including Circle Fresh Farms LLC, a hydroponic farming company, and Modmarket, a fast-casual restaurant chain that focuses on organic and farm-fresh food.

Raindrop's purchase of the Denver Highway Technologies business makes Colorado Barricade a small, locally owned and operated business, Scharg said.

"It's not part of a huge, national roll-up," Scharg said.

The company has a new local investor group, and is rapidly regaining its feet, according to the management of the new company. Many of Highway Technologies' former employees and customers are back.

"We've been able to resume a lot of the Labor Day events that we've done before," said Rusty Reynolds, who was Highway Technologies' Denver branch manager and now is Colorado Barricade's vice president of operations. Reynolds worked for the old firm for 13 years.

The new company's first contract was with the Downtown Denver Partnership to provide traffic safety equipment for the upcoming A Taste of Colorado on Labor Day weekend, said Susan Rogers Kark, the DDP's executive vice president.

The company has worked the four-day event since 1997, Rogers Kark said.

"It's the people that make the company," she said. "Their crews have given us exemplary service for many years, and we're proud to be the new Colorado Barricade's first contract."

If all goes well, Colorado Barricade could post revenue of more than \$10 million in 2015, said Ted Ott, formerly Highway Technologies' Denver-based regional manager, and now president of Colorado Barricade. Ott worked at the firm for 13 years.

"We were profitable before, and now those profits will be reinvested here, locally," Ott said.

Within a week of the deal closing, Colorado Barricade had rehired 20 of the 50-plus people who lost their jobs when Highway Technologies closed, Reynolds said.

Signs inside the building had been changed. Shirts, with the new name and logo, have been ordered.

"We're really excited about rehiring all these people who lost their jobs here on May 18th," Scharg said.

"These guys have been running the business for 13 years, and they're going to continue to run it — we're here to support them," Frisch said. "It was an easy deal because the company is great and everything this company does is positive — from road safety to construction, it's positive for the state."

As for the remainder of Highway Technologies, two units have been sold to investors and the rest sold to an auction company, Frisch said.

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