



ECONOMIC HEALTH STRATEGIC PLAN

June 2012



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ABOUT US

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We would also like to thank the leadership, staff, and the Economic Advisory Commission of the City of Fort Collins for their critical guidance, support, and feedback.

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INTRODUCTION

Fort Collins enjoys an economic, social, and environmental vitality that is the envy of many communities its size. The high quality of place attributed to Fort Collins comes from the lively historic downtown and the city's impressive parks, trails, and open space networks. These community assets make Fort Collins an attractive place for both a well educated workforce and diverse industries.

Fort Collins includes a wide array of economic engines, such as Poudre Valley Health System, Hewlett Packard and Woodward-Governor, employing almost 13,000 workers representing a diverse economic base. Combine these economic engines with a major land grant university in Colorado State University and the result is a burgeoning culture of entrepreneurship. This innovation ecosystem has produced a number of home-grown companies, whose products now reach markets across the world, including, among others, New Belgium Brewery, Otterbox, and Envirofit.

The City implements a variety of programs and services focused on preserving and enhancing economic health and resiliency. Prior to and during the mid-2000s, the economy was not a specific focus. City efforts centered on constructing and maintaining high-quality community assets such as parks, trails, and open space. The economic downturn of 2001-2003 triggered by a bursting of the technology sector bubble created the impetus for City Council to embrace a new direction on the economy. City Council created the Economic Vitality and Sustainability Action Group, which made recommendations on how to balance the community's value of stewardship and quality of place against engagement in economic health efforts. City Council revised and adopted the recommendations and formed them into the 2005 Economic Action Plan.

More recently, the City of Fort Collins embarked on the Plan Fort Collins initiative to update *City Plan*, the City's comprehensive plan. The revisions of the comprehensive plan expanded greatly on the role and linkage of economic health in the community to the other six focus areas in the comprehensive plan. The revised version of *City Plan* evolved the thinking regarding economic health and articulated a new focus on health and resiliency. This Economic Health Strategic Plan is an extension of the evolution begun in the *City Plan*. It focuses on encouraging local business activity and efficient use of land to achieve the goal of a healthy resilient economy. (The Economic Health Evolution is highlighted on the following page.)

In the past seven years, the Economic Health Office (EHO) has completed many of the items in the 2005 Action Plan, including a target industry study, a sales tax analysis tool, hiring an economic staff lead, improving the development review process, and creating an economic health communication plan. It has also adopted the principles and policies set forth in the City Plan.



The Evolution of Economic Health

2005 ECONOMIC HEALTH VISION

“A healthy economy reflecting the values of our unique community in a changing world.”

ECONOMIC VALUES

1. The primary keys to our unique identity and economic health are:
 - The natural environment
 - Old Town / Downtown
 - Colorado State University
 - Culture and the arts
2. We value to Poudre R-1 Schools, Front Range Community College, and our other educational institutions and the quality education they provide.
3. Sustainability and economic health are strengthened through community partnerships and collaborations.
4. We value the next generation of citizens and their quality of life as much as our own.
5. We value businesses that contribute to the economic, environmental, social, and cultural health of our community.
6. Supporting innovation and growing businesses from within are important to economic health.
7. We value our existing businesses and the prospect of welcoming new businesses.
8. We value a City organization that is:
 - Proactive about our economy
 - Responsive to our business concerns
9. Municipal services contribute to making Fort Collins a great and visionary city and depend on a healthy economy that fuels a reliable revenue stream.

KEY STRATEGIES

- Diversify the economy
- Be proactive
- Form partnerships
- Balanced approach

2010 ECONOMIC HEALTH VISION

A health and resilient economy:

1. Diverse jobs that enable citizens and businesses to thrive
2. Reflects the values of our unique community in a changing world
3. An innovative, creative, and entrepreneurial atmosphere
4. Strong partnerships and collaboration with the private sector educational institutions, and other organizations.

PRINCIPLES AND POLICIES

1. Pursue development of a vibrant and resilient economy that reflects the values of our unique community in a changing world.
 - Support job creation
 - Maximize retail sales tax revenue
 - Prioritize essential infrastructure/capital facilities
 - Target the use of incentives to achieve community goals
2. Support the growth of the innovation economy to set the stage for business development, job creation, and a thriving entrepreneurial environment.
 - Support targeted industry clusters
 - Support an innovative economy
 - Develop economic partnerships
 - Develop the assets to support entrepreneurship
3. Support local, unique, and creative businesses.
 - Support programs emphasizing local business
 - Define and support the Uniquely Fort Collins Cluster
 - Support local and creative entrepreneurship
 - Support the brewing industry
4. Encourage the redevelopment of strategic areas within the community.
 - Prioritize targeted redevelopment areas
 - Encourage infill development and redevelopment
 - Develop fee schedules for development and redevelopment
5. Participate in regional economic development efforts.
 - Support the Fort Collins/Loveland Airport
 - Prioritize regional infrastructure

2012 ECONOMIC HEALTH VISION

Fort Collins: Crafting a dynamic culture of innovation and stewardship to cultivate quality of place and economic health.

The vision should be the unifying theme across the principle projects, collaboration, research, and City policies geared toward promoting economic health in Fort Collins.

GUIDING PRINCIPLES

A Healthy, Resilient Economy

The collaboration of government, academia, companies, and non-profits is the foundation of this approach.

1. Create more and better economic opportunity for residents.
2. Diversify the tax base to help insulate Fort Collins from economic shocks.
3. Preserve Fort Collins' unique quality of place and culture.

GOALS

1. Facilitate a stronger support network for existing employers, new businesses, and small business.
2. Enhance the innovation ecosystem and economy that supports companies at all stages and aligns with City goals.
3. Create a system for talent development, retention and recruitment that responds to and anticipates employers' needs.
4. Develop community assets and infrastructure necessary to support the region's employers and talent.

About the Plan

In May 2011, the City, with the assistance of the TIP Strategies team, began work on the 2012 Economic Health Strategic Plan (EHSP). The EHSP is an extension of the City's previous economic health planning efforts and represents the evolution of the City's approach to Economic Health.

The EHSP process started with a review of the public input collected as part of the Plan Fort Collins Initiative. This input was augmented with a targeted input strategy aimed at the City's primary economic development partners and stakeholders. Through a series of interviews and focus groups that included 60 people, 2 stakeholder workshops, and a public open house, TIP and City staff gathered the input to inform this plan's understanding of Fort Collins, its culture, its values, and its priorities.

From the first meeting, it was clear that this was not to be an ordinary plan. The plan would need to reflect the unique community character of Fort Collins. Innovation and entrepreneurship, along with an emphasis on the local economy, would form the foundation of the plan. Furthermore, the existing focus of the Economic Health Office was reinforced as business retention, expansion, and incubation. The City's role in business attraction would be limited to the proactive recruitment of companies that fill specific gaps in the target industry clusters.

At the same time, the consulting team was tasked with providing a data-driven analysis to understand the economy, the regional workforce, and the city's economic drivers. To create the plan, the team drew upon these sources of input, along with experience and knowledge of how other communities have tackled the issues that Fort Collins faces. The end result is the plan set forth on the following pages.

The plan presents a city-wide - and community-driven - response to economic health. The City cannot, however, implement this plan alone. It will require the support of stakeholders and a collaborative approach. This partnership creates a stronger EHSP because it recognizes the ability of the City to leverage community organizations and stakeholders invested in economic health. These include Colorado State University, the Small Business Development Center, Larimer County Workforce Center, Northern Colorado Economic Development Corporation, Rocky Mountain Innosphere, UniverCity Connections, the Chamber, and many others. The final section of this plan addresses implementation and outlines a series of tasks and community partners that might assist in implementation.

Finally, the plan also recognizes that numerous private sector stakeholders share an interest, and in many cases hold a vested interest, in the health and resiliency of the local economy. A collaborative approach allows for the City to engage these stakeholders and ensure that the community's values and character are conveyed in the Fort Collins story that is shared with an external audience. This engagement permits the City to influence economic outcomes and development patterns to a greater degree.

Strengths, Weaknesses, Opportunities, Threats

GRAPHIC: SWOT ANALYSIS

TIP conducted an economic development Strength, Opportunities, Weakness, and Threats (SWOT) analysis of the economic health assets and opportunities in the City. The analysis is based on a review of economic, demographic, and workforce characteristics, interviews with local and regional business and community leaders, and TIP's experience working with communities and regions across the country. The graphic summarizes the results of the analysis.

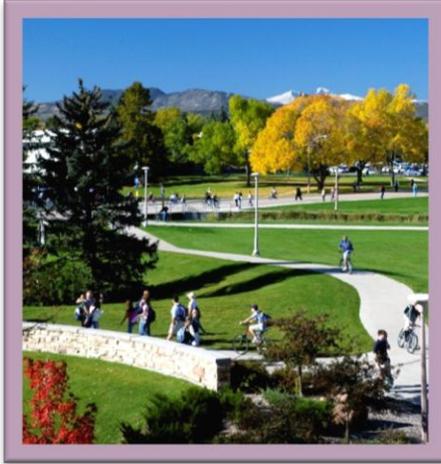
The size of the bubble is intended to convey the consulting team's view of the relative importance of the topic, and in some cases, the likelihood of impact in the region.

Items closer to the center of the graph tend to be more local in nature. Those at the outer corners are influenced by state, national, or global trends, placing them to some degree outside of local or regional control.

Note: economic development is abbreviated "ED" in the graphic.



Strengths/Opportunities



Colorado State University (CSU). Colorado State University's role in Fort Collins reaches far beyond being a higher education provider. CSU's enrollment is approaching 30,000 students, bringing almost 7,000 new students to Fort Collins every year. This fact makes CSU the city's primary magnet for attracting talented young people. It is also Fort Collins' largest employer, with 6,100 workers. Additionally, CSU serves as a primary economic engine for the City, both in terms of tax revenue and innovation. A 2009 study of the economic impact of CSU states that: "CSU employees generate 11% of household income in Fort Collins, which is over \$250 million annually. The combination of CSU employees and students accounts for almost 16% of the total tax revenue for the City of Fort Collins. An additional 600 jobs are supported in Fort Collins alone by an estimated \$168 million in annual student spending on housing, food, entertainment, and more. The total CSU effect on local Fort Collins tax revenue is almost \$13 million." Furthermore, the University spends over \$300 million annually on research, which fuels the innovation economy in Fort Collins. This has translated into 20 new start-up companies in the past 5 years, many of which reside in Fort Collins, and 136 innovations licensed to Colorado companies. The health of Fort Collins is tied closely to the strength of CSU. Nurturing this relationship and seeking ways to strengthen the town-gown partnership will be a key to the City's economic health and stability.

Innovation Infrastructure. Fort Collins is fortunate to have prolific sources of intellectual property and research to fuel its innovation economy. As mentioned above, CSU spends over \$300 million annually on research. Aside from the inventions and start-up companies that these research dollars generate, the university has a number of centers focused on applied and translational research in partnership with outside entities. For example, the Judson M. Harper Research Complex, which includes the Research Innovation Center (RIC), and the Engines and Energy Conversion Lab (EECL), partners with federal and private entities to advance research related to their areas of specialization – infectious disease and engines, respectively. In addition, Fort Collins is home to the 30-acre Natural Resources Research Center (NRRC), which is a partnership between CSU, the US General Services Administration, and six federal agencies, including the US Geological Survey (USGS), the US Department of Agriculture (USDA), and the US Department of the Interior. Many of Fort Collins' large technology companies such as HP, Intel, and Avago also conduct research in Fort Collins. For example, HP has a state-of-the-art research facility to investigate sustainable data center technologies, and Intel has a design center that focuses on software development as well as microprocessor development. This research and

SAMPLE OF FORT COLLINS RESEARCH EXPERTISE

Health:

Regional Biocontainment Laboratory
Rocky Mountain Regional Center of Excellence
Vector-Borne Infectious Disease Research

Natural Resource Management:

USGS Fort Collins Science Center
USDA National Wildlife Research Center

Engines:

Engines & Energy Conversion Laboratory

Hardware & Software:

HP
Intel Design Center

development infrastructure is the foundation for Fort Collins' innovation economy. These sources of innovation are accompanied by a growing ecosystem of entrepreneurs and support organizations that can help take these ideas from concept to product. As this ecosystem grows and develops, Fort Collins can gain international prominence for innovative companies.

Educated Workforce. The City of Fort Collins has one of the most educated adult populations in the nation. Forty-nine percent of the population in the City of Fort Collins that is 25 and older has earned a bachelor's degree or higher. In the Fort Collins MSA, 41% of the population age 25 or older have a bachelor's degree or higher. At the national level, only 28% of the population has a bachelor's degree or higher. Since high educational attainment is a positive indicator of workforce quality, Fort Collins certainly excels in this area. Furthermore, educational attainment has a wide range of societal benefits. A better educated population is associated with higher incomes, lower levels of unemployment and poverty, lower smoking rates, better personal health, and lower incarceration rates. It is also correlated with higher levels of civic participation.

Weaknesses/Threats

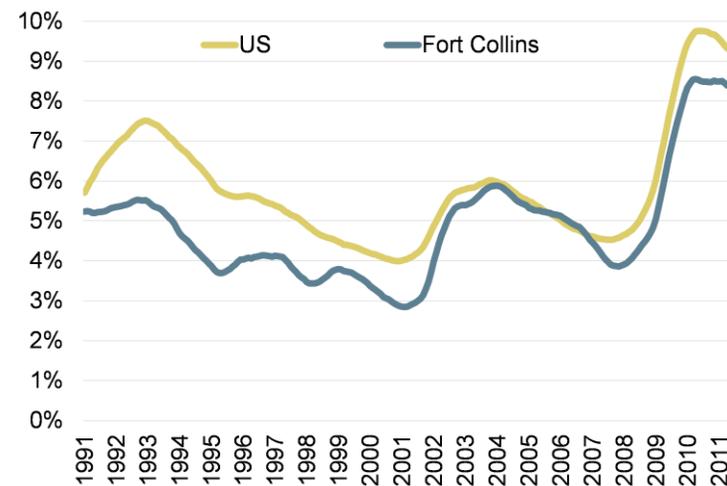
Economic Cycles. Though the local economy out-performed the national economy throughout most of the 1990s, more recently it has closely tracked the nation. In addition, the 2000 and 2008 recessions put the economy and its health at the forefront of the City's mind, demonstrating that Fort Collins is not insulated from powerful economic shocks. When the Internet bubble burst, Fort Collins' unemployment rate doubled, reaching almost 6%. More recently, during the Great Recession, unemployment peaked at 8.5%. In comparison to the national economy, which reached a peak unemployment rate of 9.7%, Fort Collins fared better. Nevertheless, the effects of the economic downturn were deeply felt by many in the community, particularly by the 7,000 unemployed residents.

Skills Mismatch. Forty-one percent of the population in the Fort Collins MSA age 25 or older have a bachelor's degree or higher. However, close to two-thirds of the jobs require only on-the-job training or prior experience.

This poses a threat to the City's employers who may have trouble finding talent locally to fill open positions. The regional manufacturers, in particular, have voiced concerns about finding workers to fill production occupations (such as machinists).

In addition, the skills mismatch creates both opportunities and challenges for the City. Many residents are willing to accept jobs for which they are over qualified in order to live in Fort Collins. The result is an untapped well of skill capacity that, if utilized, allows the community to prosper economically without having to grow in terms of population. Other residents, however, choose to look outside of Fort Collins for work. This creates a situation where highly educated residents must commute to other communities for

UNEMPLOYMENT RATES COMPARED



Source: US Bureau of Labor Statistics, LAUS.

work and local employers must recruit outside the city to find workers. This can cause additional stress to regional transportation networks and have social impacts in areas such as the community’s quality of life, family stability, and general well-being.

In any case, bringing the skills of residents and the talent requirements of employers into balance can greatly benefit the city. It enhances local employers’ abilities to fill open positions with local talent. It also creates an opportunity to move under-employed people into better jobs and to move unemployed people into the jobs those under-employed currently occupy. Expanding labor force participation by adding high quality jobs will also have a positive impact on the earnings of many households in the city, which, in turn, has a positive effect on the economy.

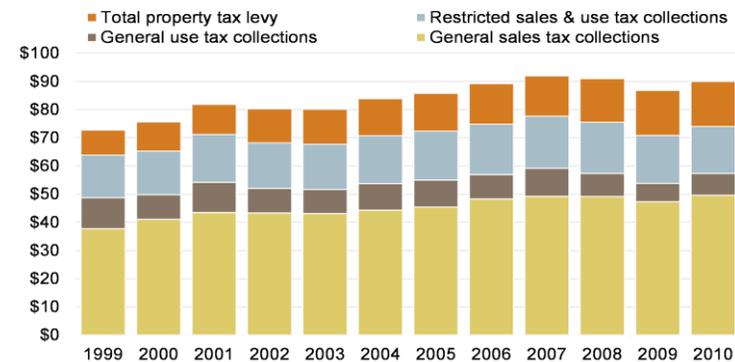
Fiscal Sustainability. With a significant dependence on sales tax revenues, the city is overly vulnerable to business cycles and retail competition from surrounding communities. During the recent recession, sales tax collections dropped from \$77 million in 2007 to \$71 million in 2009. By 2010, tax receipts had recovered to \$74 million, but three years of low sales tax collections forced the City to make dramatic budget cuts. These cuts, however, were on top of cuts in planned and existing expenses that had been made over the course of the previous 5 years. By 2010, the City had significant unfunded current and future needs in areas such as street maintenance, public safety, and parks and recreation. In 2010, there was a successful campaign to raise the sales tax rate by .85%, which went into effect on January 1, 2011. This alleviated the current situation, but the City’s fiscal situation remains vulnerable to further economic stresses.

Diversifying the City’s tax base away from sales tax is one method to secure Fort Collins’ fiscal future. This can result in larger and more stable tax revenues for the City without having to increase taxes. Expanding the industrial and commercial tax base grows the City’s property tax receipts. This would also likely create more jobs in Fort Collins, keeping employees and their spending in the community. In addition, projects such as a conference center and hotel could both expand the commercial tax base and generate more hotel occupancy taxes.

While development will continue to occur organically in the community, the City’s participation in encouraging the diversification of its tax base should be careful and deliberate to ensure that development is in line with its vision, culture, and values.

Economic Diversification. The Fort Collins economy is relatively diverse, with 12 industry sectors that employ over 5,000 workers each. Of these 12 sectors, half pay less than the Metropolitan Statistical Area’s (MSA) average wage, and all but one sector pays less than the national average for those sectors. In addition, five of the top employers are in the government sector. In fact, the government sector is the MSA’s largest, accounting for 15% of all jobs. While the public sector provides high quality jobs for residents, it does not directly add to the tax base of the city, especially since its property is tax-exempt.

MAJOR SOURCES OF TAX REVENUE



Source: City of Fort Collins, 2011-2012 Biennial Budget; Larimer County Assessor’s Office.

The city's manufacturing sector, which accounted for 11% of the MSA's jobs in 2001, contracted dramatically over the course of the decade and currently accounts for only 6% of the jobs. Between 2001 and 2010, the sector lost almost 7,000 jobs. At the same time, Fort Collins' GDP for the sector rose from \$1.1 billion to \$1.7 billion, or 56%. This rise in productivity has led to a transformation of the sector, leaving a significant portion of the workforce either unemployed or uncertain of their future. This transformation has also created opportunities for innovative models and technological solutions to address the new needs of the sector.

These considerations highlight the importance of diversifying the regional economy. To raise wages, expand the tax base, redeploy its production workers, and capture a part of the new manufacturing sector, the City must be vigilant and creative on economic issues.

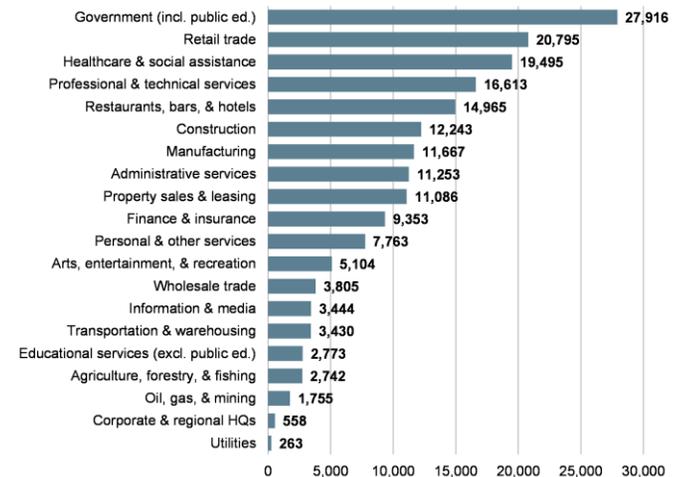
The Response

The Economic Health Strategic Plan (EHSP) is a response to these strengths, weaknesses, opportunities, and threats. The foundation of this response is the reinforcing and, in some cases, formalizing the City's relationships with local economic development community partners. This leverages the City's resources devoted to economic health and increases the City's overall capacity for economic health programs. Doing so could have a significant impact on the overall vitality of the city.

In addition, the EHSP focuses on four components of economic health: the business support network, the innovation ecosystem, the system for managing talents, and quality of place.

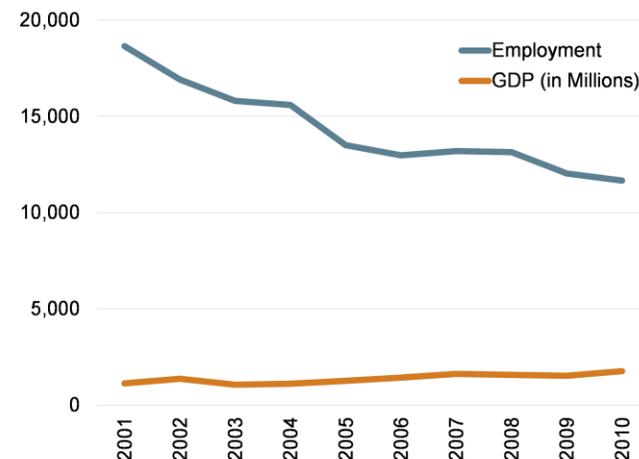
Business Support. Strengthening the support network for businesses in Fort Collins is the first objective of the plan. This recognizes that existing employers and small businesses are the backbone of Fort Collins. Many of the programs to support these businesses are already in place. Greater collaboration among economic development partners and an expansion of the offerings will provide tangible benefits to Fort Collins

JOB BASE BY INDUSTRY SECTOR IN THE FORT COLLINS



Source: EMSI Complete Employment - 2011.2

MANUFACTURING SECTOR IN THE FORT COLLINS MSA



Source: U.S. Bureau of Economic Analysis.

businesses.

Innovation Ecosystem. The EHSP proposes a variety of strategies to strengthen the city and region's innovation ecosystem. The goals are to create a more entrepreneurial culture, to enhance the city's ability to retain successful companies, and to support a pool of talented workers of all ages. With numerous engines of innovation in the city, these programmatic recommendations hold great potential for growing and expanding the tax and employment base of Fort Collins.

Talent Management. The proposed talent management program will ensure a strong pipeline of human resources to support existing and future employers. Putting in place mechanisms for engaging employers will help synchronize workforce development programs and educational institutions with employers' needs. At the same time, specific outreach and education initiatives aimed at targeted groups will provide talent and employers with more opportunities to connect. While many of these initiatives already exist, better coordination, along with targeted new programs, will create a more responsive and dynamic system.

Community Culture / Quality of Place. Finally, strategic and catalytic projects have an important role to play. Retaining and selectively attracting businesses can energize the innovation economy. The City can put in place the structure and process for moving these projects forward. A collaborative approach that combines the strengths of the public sector, private enterprise, academia, and non-profits is essential. This partnership will be the key to the successful implementation not only of the proposed catalyst projects but of the City's economic health initiatives in general.

The EHSP aims to put in place the systems, programs, and initiatives needed to maintain and strengthen the Fort Collins economy over the next five years. However, the social, physical, and economic environment is constantly evolving. **To be successful, this plan must become a living, breathing document that evolves with the environment.** The City and its partners can do this by monitoring this constant change, remaining visionary, and tweaking the EHSP regularly to ensure that it stays relevant and at the cutting edge.

Framework

The City of Fort Collins must have a clear vision for its economic health program to be effective and successful. Such clarity provides guidance for programming as well as investment decisions. It also provides a framework for measuring progress towards goals and program outcomes. This creates a feedback loop that gives City officials and staff the opportunity to evaluate initiatives and understand what is working and what is not. For these reasons, we preface the plan with guiding principles, a vision, and objectives that serve as the foundation for the city's economic health program.

Guiding Principles for Economic Health

The City of Fort Collins deliberately named its program “economic health” rather than the standard “economic development.” This is an important distinction. It implies that the goal of the City's program is to ensure a balanced and sustainable economy.

The economic health program seeks to create a healthy, resilient economy. To create such an economy, the programs of the EHO should promote economic opportunity for residents and diversify the tax base of Fort Collins while preserving Fort Collins' unique quality of place and culture.

The City can leverage its resources and strengthen its programs through partnerships with other public sector entities, academia, companies, and non-profits. This system of partnerships, termed the **quadruple helix**, can optimize the use of resources, enhance opportunities for successful programs, and maximize the return on the City's investment. The collaboration fostered by the quadruple helix approach is integral to the success of the economic health program.

Vision

A vision for economic health brings continuity and cohesion to the various initiatives. It brings economic development stakeholders together to operate under a single umbrella. It becomes the unifying theme across projects, collaboration, research, and policies geared toward promoting economic health in Fort Collins. The vision proposed in this plan is as follows:

***Fort Collins: Crafting a dynamic culture of innovation and stewardship
to cultivate quality of place and economic health.***

For the past six years, the City has focused efforts to promote economic health on supporting existing businesses and growing its own new businesses. The proposed vision respects this heritage and emphasizes the opportunity to leverage many current innovative initiatives related to the stewardship of resources. These initiatives include Fort Collins Zero Energy District (Fort ZED), the City's waste diversion goals, the Mason Corridor bus rapid transit project, research conducted at CSU's Engine and Energy Conversion Lab (EECL), and the numerous projects of the targeted industry clusters. These initiatives are developing new commercial products and services

that represent economic opportunity for the City. Furthermore, these initiatives and the proposed vision reflect the culture of entrepreneurship in Fort Collins while connecting it to the community's long standing values of environmental stewardship and quality of place.

Innovation and entrepreneurship are foundational values in the Fort Collins economic model. Leveraging the quality of place, innovative spirit, and sense of stewardship requires coordination and collaboration with the community. Success requires the participation of the City of Fort Collins as a large buyer and a distributor of public goods, the flexibility of its utilities who manage many of the resources, the expertise of CSU researchers, and the openness of residents and the private sector to test new technologies. The concept of an "ecosystem" to support the model will be a powerful economic engine for the local economy and a means of enhancing investment in the region.

Goals

To achieve the City's mission of creating a healthy and resilient economy and to realize the vision of crafting a culture of innovation and stewardship, the City must establish goals to provide concrete direction. The four goals identified as the pillars of this plan are:

1. Facilitate a stronger support network for existing employers, new businesses, and small business.
2. Enhance the innovation ecosystem and economy that supports companies at all stages and aligns with City goals.
3. Create a system for talent development, retention and recruitment that responds to and anticipates employers' needs.
4. Develop community assets and infrastructure necessary to support the region's employers and talent.

The vision and goals laid out in this plan are meant to build upon what was established in the City's 2005 Economic Action Plan and the 2010 City Plan. The 2012 Economic Health Strategic Plan (EHSP) aims to strengthen the foundation, scale up the economic health program, and increase its effectiveness.

As in the 2005 plan, the concept of the innovation economy still plays a central role in the EHSP. With the research and development capabilities present in Fort Collins today, the City cannot afford to ignore this engine of economic prosperity. A stronger innovation system for commercializing technologies, bringing products to market, supporting entrepreneurship, and developing the resources and capital necessary to cultivate businesses are central to the EHSP.

The EHSP also recognizes that a resilient employment base, ample economic opportunity, a high quality pool of talent, an array of amenities, and a strong sense of place are factors that contribute to the success of the innovation economy as well as Fort Collins' overall economic health.

SUMMARY OF ACHIEVEMENTS FROM 2005 ECONOMIC ACTION PLAN

- Established a program of engaging in economic health efforts
- Developed a sales tax forecasting and analysis tool
- Improved the Development Review Process implementing all suggestions from the Zucker report
- Completed an analysis of Industry Clusters
- Implemented a program of Target Industry Cluster initiatives focused on delivering projects that contribute to innovation and stewardship
- Created and implemented an economic health communications plan
- Constructed Rocky Mountain Innosphere; 31,000 SF LEED Platinum business incubator
- Implemented FortZED 5 Megawatt Jumpstart Demonstration Project

GOAL 1: BUSINESS SUPPORT

Facilitate a stronger support network for existing employers, new businesses, and small business.

PRIORITY PROJECTS

1. Major Employer Visitation Program
2. Industry Councils
3. Information Clearinghouse for Competitive Intelligence

SUGGESTED METRICS

- Companies assisted & retained (jobs created, average wages, investment)
- Companies lost (jobs lost, reason(s) why)

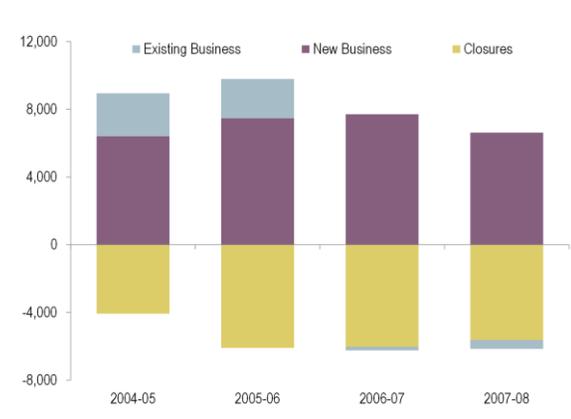
Fort Collins' existing employers, new businesses, and small businesses form the backbone of the local economy. Between 2004 and 2008, Fort Collins' new businesses were responsible for almost 15,000 jobs, about 13% of the 2008 private sector job base. Even while businesses were closing and existing businesses were beginning to shed jobs, new businesses were generating new jobs.

In the Fort Collins MSA, businesses with less than 20 employees account for about 25% of all private sector jobs, and very large businesses with more than 500 employees account for just over 40% of jobs. Existing employers (employers at least 3 years old) account for about 80% of the MSA's private sector employment. New businesses (less than 3 years old) account for about 20% of private sector employment.

These statistics shows that business retention and expansion and economic gardening are not just viable economic development strategies, but are essential for fostering a healthy economy.

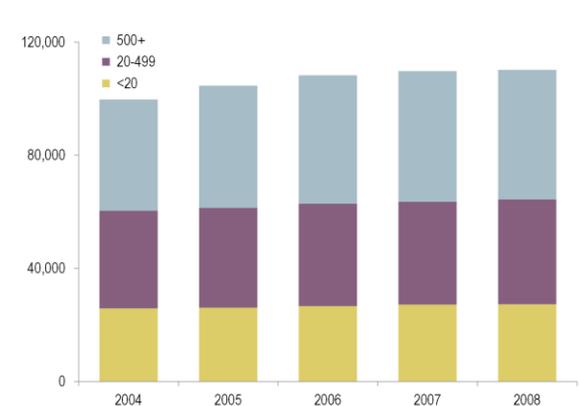
This fact was recognized and emphasized in the 2005 Economic Action Plan. Consistent with the 2005 Economic Action Plan, the Economic Health Office (EHO) conducted a business retention and expansion survey in partnership with Northern Colorado Economic Development Corporation (NCEDC) and the Chamber, reaching over 100 companies in Larimer County over the course of 2010. In addition, the EHO assisted local companies looking to expand by helping them navigate the development process of the city and securing funding for eligible projects using various public finance tools. The EHO

JOB CREATION BY BUSINESS TYPE



Source: US Census Bureau, Statistics of US Businesses.

PRIVATE EMPLOYMENT BY BUSINESS SIZE



Source: US Census Bureau, Statistics of US Businesses.

continues to be an important partner for local businesses, facilitating expansion wherever possible. The 2012 EHSP proposes to enhance and formalize aspects of the City's business retention and expansion program and economic gardening program.

Strategies

1. Enhance Fort Collins' business retention and expansion program.

1.1. **Visitation.** Continue to expand the visitation program to the city's largest employers.

- Establish and maintain relationships with at least the top 20 largest employers in Fort Collins to keep a direct line open to the business community.
- City officials should visit these employers annually to understand their economic health, ascertain any needs, and identify ways the City can help.
- For those employers with headquarters located outside of Fort Collins, establish relationships by meeting face to face with executives from the headquarters, either in their home office or on a trip to Fort Collins.

1.2. **Business Survey.** Continue to expand the reach of the employer survey, and coordinate with NCEDC to produce county-wide results.

- *Database* - Establish and maintain a database of existing businesses in Fort Collins using Sales and Use Tax licenses. Revise the application form to include information useful for the BRE program, such as number of employees, email address of contact, and applicable North American Industry Classification System (NAICS) code.
- *Customer Relationship Management* - Use this database to populate a web-based system that can be shared between the City, NCEDC, and the Chamber. Examples of such systems include Synchronist OpMgr, Executive Pulse, ACT!, and Salesforce.com.
- *Business Attitude* - Include questions on the survey for employers regarding their attitude toward the business climate, talent availability, and workforce quality in Fort Collins.

BUSINESS RETENTION AND EXPANSION

The City has focused its economic health programs on a grow-your-own strategy. While innovation and business creation are an important part of this strategy, a robust business retention and expansion program can generate a significant return on investment.

Existing businesses form the backbone of a thriving economy. They typically represent the best opportunity for increasing the employment and tax base of a community and the greatest economic threat if they close or relocate.

The proposed strategies regarding the BRE program will strengthen the City's ties with its most important employers while expanding the reach of the program. It will collect more information and provide resources to synthesize, summarize, and distribute that information. It will also provide a mechanism for responding to employers' immediate needs.

- *Survey* – Administer an online survey to the database of employers on an annual basis.
 - *Visitation* - Conduct regular visits to at least 40 businesses each year; schedule in-person interviews to ask detailed questions about business needs.
 - *Annual Report* - Compile the results of the survey and key findings from the visits into an annual report on the state of Fort Collins’ businesses and the overall business climate. Flesh out any issues that arise with facts and data that provide readers with information on the current state of affairs.
 - *Rapid Response Team* - Create formal response mechanisms, such as a rapid response team, to address the needs of any employer facing closure or relocation outside of Fort Collins. The team should be composed of representatives from the various economic development stakeholders that have the ability and authority to directly address the needs of the employer.
- 1.3. **Industry Councils.** In collaboration with community partners, establish industry councils for broad industry groups such as manufacturing, healthcare, and technology.
- Hold regular meetings to provide forums for communication.
 - Identify cross-cutting issues that affect the sector.
 - Craft solutions, monitor the issues, and track progress towards addressing the issues.
- 1.4. **Business Recognition.** Establish a business appreciation program that recognizes existing businesses in the community.
- Participate in the Colorado Companies to Watch program.
 - Develop an annual event to recognize existing businesses in the community.
 - Develop an on-going program to recognize companies based on their anniversary (e.g. 5, 10, 20, 30, and 50 years).
2. **Create stronger connections between components of Fort Collins’ small business support system.**
- 2.1. **Support Network.** Institute a coordinated small business support network by fostering more interaction between small business service providers including the Chamber, SBDC, the Poudre

ECONOMIC HEALTH TOOLBOX

Special Financing Districts

Tax Increment Financing
 General Improvement District
 Special Improvement District
 Metropolitan Improvement District
 Business Improvement District Public
 Improvement Fee

Low-Interest Capital

Private Activity Bond
 Section 108 Loan Guarantee

Tax Rebates

Use Tax Rebate
 Personal Property Tax Rebate

For Low to Moderate Income Areas / Individuals

New Market Tax Credit
 Affordable Housing Fund
 HOME Investment Partnership Grant
 Community Development Block Grants
 Section 108 Loan Guarantee

Source: City of Fort Collins.

River Public Library's Business and Non-Profit Center, Be Local Northern Colorado, Arts Incubator of the Rockies (Beet Street), and others.

- Hold periodic meetings of these stakeholders to plan or share calendars of events, discuss ideas and issues, and identify ways to better serve the small business community of Fort Collins.
- Identify barriers to starting a business in Fort Collins, and work with the appropriate entities to alleviate those barriers.
- Coordinate a communications and outreach effort to inform the small business community of the resources available to them.

2.2. **Resources.** Fill gaps in services to ensure that small businesses have access to the services and resources that they need.

- Expand the Business and Nonprofit Center's information clearinghouse to provide sophisticated, high quality industry and market information to small businesses and entrepreneurs.
- Strengthen the capacity of the SBDC to provide the small business community with one-on-one counseling.
- Establish a more comprehensive technical assistance and training program that offers workshops and training series for basic and advanced education for small business owners.

2.3. **Awareness.** Continue to encourage Fort Collins residents to support local business.

- Focus the Shop Fort Collins First initiative on encouraging residents to make retail purchases in Fort Collins instead of going elsewhere.
- Continue to raise awareness of the benefits of shopping local with an on-going communications and marketing campaign.
- Strengthen the City's commitment to local business through its procurement practices and programs to help local businesses secure City contracts.
- Encourage CSU and other large purchasers to source locally.

SAMPLE COMPETITIVE INTELLIGENCE DATABASES

Company Information / Business Intelligence

D&B Million Dollar Database (www.dnbmdd.com/mddi/)

Hoovers (www.hoovers.com)

Demographic / Market Information

Demographics Now (www.demographicsnow.com)

ESRI (www.esri.com)

Nielsons Claritas (www.claritas.com)

New Sources and Web-based Research Tools

Ebsco Business Source Premier (www.ebscohost.com)

Factiva – Dow Jones (www.factiva.com)

IBISWorld (www.ibisworld.com)

Lexis/Nexis (www.lexisnexis.com)

Morningstar (www.morningstar.com)

GOAL 2: INNOVATION ECONOMY

Enhance the innovation ecosystem and economy that supports companies at all stages and aligns with City goals.

PRIORITY PROJECTS

1. Reinforce the strength of Fort Collins' quadruple helix partnership
2. Expand RMI's scope of services
3. Northern Colorado Angel Network
4. Raise awareness of Fort Collins as innovation hotbed

SUGGESTED METRICS

- Technology commercialization
- New business formation
- Capital access
- Wealth creation

With Colorado State University, federal research labs, and a long list of innovative companies, Fort Collins has numerous sources of innovation, intellectual property, and inventions within its city limits. As a result, the city has one of the highest rates of innovation in the US, producing 10 patents per 10,000 residents. This fact, coupled with the recognition that entrepreneurship can be a powerful engine of economic prosperity, has led the City to identify innovation, in both the 2005 Economic Action Plan and the 2010 City Plan, as a

cornerstone of the Fort Collins economy.

While having these sources of intellectual capital is essential to an innovation economy, they are not sufficient. The City must also have a culture and support system that encourages this intellectual capital to be commercialized, and for that commercialization (ideally) to take place in the city. In addition, it must provide an environment that fosters

TOP 20 CITIES FOR INNOVATION, 2010

Metropolitan Area	Patents per 10,000 residents
San Jose-Sunnyvale-Santa Clara, CA	54.84
Corvallis, OR	29.21
Rochester, MN	26.45
Burlington-South Burlington, VT	26.41
Bremerton-Silverdale, WA	24.21
Boulder, CO	20.33
Santa Cruz-Watsonville, CA	19.59
Ann Arbor, MI	16.27
Boise City-Nampa, ID	15.38
San Francisco-Oakland-Fremont, CA	14.51
Austin-Round Rock-San Marcos, TX	14.27
Poughkeepsie-Newburgh-Middletown, NY	12.31
Ithaca, NY	12.11
Rochester, NY	12.07
Seattle-Tacoma-Bellevue, WA	11.78
Raleigh-Cary, NC	11.12
Trenton-Ewing, NJ	10.89
Fort Collins-Loveland, CO	10.08
Durham-Chapel Hill, NC	9.83
San Diego-Carlsbad-San Marcos, CA	9.67

Source: US Patent Office, US Census, TIP Strategies calculations.

business formation and expansion. Fortunately, Fort Collins has many of these essential elements. There are, however, significant gaps in its “innovation ecosystem.”

The first is access to capital. In all of Colorado, 89 venture capital deals were funded in 2010, the large majority of which went to the industrial/energy sector. Of these, less than 10 went to Fort Collins companies. Fort Collins is not on the radar screens of most venture capital firms, even the ones in Colorado. To foster the level of economic activity around the innovation occurring in Fort Collins, companies must have better access to the capital needed to launch and grow their businesses.

The second gap lies in the culture of entrepreneurship in the city. The City and the university should encourage innovators to spin-out companies around their discoveries and support entrepreneurs once the companies have been formed. While the community does have an entrepreneurial spirit, its reach could be greater, especially among CSU faculty and students.

The last significant gap is in Fort Collins’ ability to retain businesses once they have matured past the start-up phase. Fort Collins has three incubator facilities to support start-up companies – the Rocky Mountain Innosphere (RMI), the Research Innovation Center (RIC), and the Engines and Energy Conversion Lab (EECL). It does not, however, have many sites to accommodate those companies ready to graduate from these incubation facilities. Many of the communities surrounding Fort Collins do – these communities include Loveland, Longmont, and Greeley – and some of those are willing to incentivize moves. This situation leaves the City at risk for subsidizing start-up businesses and then losing them (once a return on the City’s investment would be realized). Furthermore, as important as retaining companies is, retaining the entrepreneurial talent itself is more important.

Strategies

1. Create a stronger nexus for innovation in both Fort Collins and the Front Range.

- 1.1. **Quadruple Helix.** Foster continuous collaboration between academia, the private sector, the public sector, and non-profits to promote a more entrepreneurial culture and train entrepreneurial leadership and talent.
 - Engage the leadership of organizations, enterprises, and institutions that can move forward ideas and projects to catalyze innovation in Fort Collins and the greater region.
 - Encourage innovation and collaboration through showcase events, speaker series, and networking opportunities.
 - Continue to strengthen and expand Fort Collins’ business incubation capacity and programs.

The Quadruple Helix refers to the interaction of four pillars in innovation ecosystems:

1. knowledge institutions
2. enterprises
3. government, and
4. civil society.

- CLiQ
<http://www.cliqproject.eu>

- Promote entrepreneurial education at Poudre School District, Front Range Community College, and CSU by facilitating the creation of programs that focus on entrepreneurial training, technology commercialization, and business formation.
- Actively engage CSU students in entrepreneurial activities through student internships, capstone projects, colloquia and conferences, and business plan contests that provide opportunities for interaction with local entrepreneurs and innovative companies.
- Interact with other innovative regions world-wide to stay informed of cutting-edge models for innovation.

1.2. **Industry Cluster Support.** Provide support for industry cluster groups.

- Differentiate between existing clusters and growth clusters:
 - Emerging cluster – networking events, evaluation to determine sufficient activity to warrant formal cluster organization.
 - Growth cluster – focus on R&D projects and collaboration, commercialization and business formation, industry partners, supply chain analysis, and strategic recruitment of key businesses and talent to enhance support system for clusters.
 - Existing / mature clusters – professional associations or councils, no need to be 501(c)(3).
- Incubate nascent groups through coordination of activities, outreach, and information.
- Provide administrative support for cluster groups that need less than full-time support.
- Serve as a resource for cluster managers on best practices and strategies for cluster development.
- In partnership with the City, coordinate a challenge grants program to fund industry cluster projects.

A NEW RMI

The 2012 EHSP envisions an RMI that moves far beyond business incubation and support. It becomes the centerpiece of Fort Collins' innovation economy. Its role would expand to coordinating industry cluster groups, strengthening the innovation ecosystem, and fostering a more entrepreneurial culture in the community.

To fulfill the vision, RMI will need additional resources, both financial and human. Three service areas will be needed to fulfill the mission. These are:

Communications & Outreach. Engaging the community to encourage a more entrepreneurial culture is essential. This entails public relations to promote innovation-oriented success in the community, communications with key audiences, and engagement with potential investors. Working with volunteers and mentors is an additional component of this task.

Industry Clusters. This area will provide administrative support for the industry clusters; provide information to cluster managers, counsel small businesses in cluster areas, and provide overall management of the cluster initiative.

Business Assistance and Support. This area will continue to provide technical assistance to entrepreneurs and also help businesses secure capital. It will work closely with CSU Ventures as well as interested students and faculty, with the goal of commercializing technologies and growing businesses.

- For select industries, contract or hire industry experts to provide technical know-how to support commercialization, business formation, and business growth.
 - Periodically review industry clusters programs and economic data to identify emerging clusters that need administrative support and to determine if existing clusters have reached critical mass and no longer need administrative support.
- 1.3. **Incubation.** Continue to provide incubation services to start-ups with a renewed focus on successful funding and exit.
- Continue to provide networking and educational opportunities for entrepreneurs through events such as Innovation After-Hours, and the Social and Advisory Group for Entrepreneurs (SAGE).
 - Raise the profile of RMI clients through a stringent application process and initial screening.
 - Build a strong network of seasoned entrepreneurs, business service providers, financing experts, and technical experts willing to volunteer time to work with the most promising ventures.
 - Create a relationship map that provides entrepreneurs with access to Fort Collins' network of business services, technical know-how, and capital sources.
 - Partner with existing training and technical assistance providers to educate entrepreneurs in the basics of business (see *Objective One, Strategy 3-3.2*).
- 1.4. **Outreach & Exchange.** Strengthen ties to innovation-driven communities.
- Consider outside members to serve on local boards.
 - Actively develop entrepreneurial linkages with other incubators, institutes, and businesses.

CASE STUDY: CENTRAL TEXAS ANGEL NETWORK

The Central Texas Angel Network (CTAN) was founded in 2006 under the leadership of local entrepreneur Jamie Rhodes with support from the Greater Austin Chamber of Commerce. CTAN provides funding from \$200,000 to \$2 million through its network of SEC accredited investors. Each of its investors pay a membership fee to encourage only serious investors to join. The executive director of CTAN carefully screens deals to ensure that high quality, investment-ready deals are presented to the network. In addition, CTAN has created a larger network of other angel investment networks in the state of Texas that it can syndicate its deals to and vice versa.

For more information, visit: www.centraltexasangelnetwork.com

CREATING AN ENTREPRENEURIAL CULTURE

1. Involve entrepreneurs in leadership and strategy development, as well as policy development.
2. Engage students through leadership training, entrepreneurship education, and incorporating elements of entrepreneurship in general curriculum.
3. Celebrate successes to reinforce cultural change, build momentum for entrepreneurship, and encourage innovation.

- Deb Markley, RUPRI.

- Organize visitations and exchanges to peer communities to share best practices and lessons learned.

2. Retain, develop, and recruit entrepreneurs and cutting-edge companies that align with Fort Collins' culture and values.

2.1. Entrepreneurial Culture. Foster a nurturing entrepreneurial culture that anchors talent and companies in Fort Collins.

- Support RMI in its activities to promote an entrepreneurial culture (See *Objective 2, Strategy 1-1.1*).
- Incorporate entrepreneurs in the Economic Advisory Commission and in the Economic Health Stakeholder Group.
- Use local media outlets to celebrate entrepreneurial ventures and stories.
- Showcase local innovations and innovators in community centers including Old Town, the Fort Collins Museum of Discovery, and Foothills Mall.

2.2. Access to Capital. Build a robust capital network as part of NoCo Capital by formalizing access to the capital already present in Fort Collins and building better relationships with the venture community outside of Fort Collins.

- Establish a pre-seed fund through monetary and in-kind donations.
- Formalize an angel network in Northern Colorado, and form a syndication network with other regional angel networks to bolster deal flow.
- Actively market qualified Fort Collins-based start-ups to non-local investors to get Fort Collins on their radar. Focus on Denver and Boulder investors.
- Encourage and support local entrepreneurs in tapping into federal funding sources by applying for Small Business Innovation Research (SBIR) grants, Small Business Technology Transfer program (STTR), and other programs available to entrepreneurs.
- Expand the revolving loan fund seeded by the Section 108 HUD grant by seeking funding from organizations such as the US Economic Development Agency (EDA). Consider contracting with a Community Development Financial Institution to manage the fund.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

Community Development Financial Institutions (CDFIs) provide access to credit to underserved communities. Many CDFIs focus on small business lending and venture capital investing in low-income and minority businesses as well as start-ups.

CDFIs create funds through grants, donations, and low-cost loans from a variety of sources. The two largest sources are the US Treasury's CDFI Fund and commercial banks who lend to CDFIs to receive Community Reinvestment Act (CRA) credit. The EDA also provides funding to CDFIs. Starbucks recently announced its Jobs for USA program to raise funds for CDFI loan programs.

Venture-oriented CDFIs such as **New Mexico Community Capital** and **Pacific Community Ventures** invest in businesses with high growth potential that will provide market rates of returns and will improve the quality of life in underserved areas. Such models could be excellent mechanisms for tapping into community capital and expanding entrepreneurs' access to credit.

2.3. **Selective Business Attraction.** Work with NCEDC and other community partners to recruit those companies vital to the success of Fort Collins' industry cluster initiatives.

- Collaborate with the industry cluster groups to identify important components of their industries missing in Fort Collins.
- Target specific companies that fill supply chain gaps and niches in the target industry clusters - Clean Energy, Water Innovation, Bioscience, Technology, and Uniquely Fort Collins.
- Be responsive to prospects that mesh well with the culture and values of Fort Collins.

2.4. **Awareness.** Raise awareness of Fort Collins as a hotbed of innovation to attract or engage both investors and entrepreneurial talent.

- Leverage CSU alumni network to communicate with alumni who are entrepreneurs, looking to invest in Fort Collins, or looking to return to Fort Collins.
- Collaborate more closely with Metro Denver to raise awareness of the activities occurring in Fort Collins.
- Partner with entrepreneurship support organizations in the Greater Denver region to market opportunities in Fort Collins to a broader Colorado technology-executive talent pool.
- Market what Fort Collins and CSU are doing regarding technology start-ups to the specialists and executives already in Fort Collins, especially those at large firms.

2.5. **Technology Transfer / Commercialization.** Expand Fort Collins' capacity to support technology commercialization and product development.

- Work with local manufacturers and companies to create an asset map of the resources and services available in the region to support product development and early-stage manufacturing.
- Identify areas of the product lifecycle that Fort Collins does not currently (but should) support with local services.
- Develop and execute projects and initiatives to address the above gaps.

2.6. **Resource Needs.** Ensure that companies have the appropriate space to grow within Fort Collins' city limits (*see Objective Four, Strategy 2*) and the appropriate talent to support their growth (*See Objective 3, Strategy 3*).

A BUSINESS RECRUITMENT POLICY

Business recruitment is not the primary focus of Fort Collins' economic health program. However, a well-targeted recruitment program will help fill specific gaps in the target industry clusters thereby strengthening the clusters and bolstering the ecosystems that anchor them to Fort Collins.

The recruitment program proposed for Fort Collins would identify the needs of the target industry clusters not being met by local companies. The economic health office could then approach companies that would fill that need and make the case for the company's expansion into the Fort Collins market. The objective of this exercise would not be to "steal" or "lure" the company from another community but rather to provide them with information to justify their expansion into Fort Collins by opening a new office.

GOAL 3: TALENT MANAGEMENT

Create a system for talent development, retention and recruitment that responds to and anticipates employers' needs.

PRIORITY PROJECTS

1. Workforce Development Program
2. Involvement of Colleges of Business & Engineering
3. Conference Strategy

SUGGESTED METRICS

- Employers' perception of ease of recruitment
- Entrepreneur pipeline
- Civic engagement
- Talent placement

Fort Collins is fortunate to have a strong labor pool and a formidable talent magnet in Colorado State University (CSU). The population is young and well-educated and is naturally attracted to Fort Collins. With almost 30,000 students and 1,500 faculty, CSU creates a constant churn of young adults and university-related talent. Anecdotally, people so want to live in Fort Collins that they are willing to move without a job and accept employment for positions for which they are over-qualified. At first glance, it would seem as though under-employment is the only concern regarding talent. However, major employers voiced additional concerns. Issues such as skill shortages, misconceptions about manufacturing jobs, minority recruitment, and work-readiness of high school

students are worth addressing before they become significant obstacles for businesses operating in Fort Collins.

Fort Collins' employers, like many employers nationwide, face skill shortages in technical occupations such as engineers and machinists, as well as less technical occupations such as production and team assemblers. These skill shortages affect most manufacturers, whether they are semiconductor manufacturers or animal feed producers, and are worrisome in the shadow of an aging workforce. When baby boomers retire, the skills shortage will be compounded, and programs to train workers to fill these positions will have difficulty attracting students. The root of students' lack



“The image of Manufacturing as dumb, dirty, dangerous and disappearing is far from accurate. Today, Manufacturing is smart, safe, sustainable, and surging.”

- The Council on Competitiveness,
Make: An American Manufacturing Movement

of interest in manufacturing jobs is often a misconception of what manufacturing jobs entail. This is a national challenge, but it can be addressed locally.

While recruiting talent to Fort Collins is generally not a challenge, it is, however, very difficult to attract minorities and even more difficult to retain them. This matters to those companies who have stringent diversity requirements to meet. In addition, some employers also commented that the work readiness of high school students is not sufficient. These issues do not currently have a material impact on employers' abilities to do business at this time, but these are important trends to understand and monitor. These types of issues can be detected and addressed early-on by developing a mechanism for greater interaction between employers, education, workforce, and economic development.

In addition to challenges voiced by area employers, the available jobs do not necessarily meet the skill level of the residents. Fort Collins boasts a young, highly-educated workforce that is largely under-employed. Forty-one percent of the population in the MSA has earned a bachelor degree or higher, yet only 25% of the jobs require that level of education. In fact, 65% of the jobs in the MSA require only on-the-job training or previous experience. Many households are in the position where one person finds gainful employment, and the other is unable to do the same. The latter person therefore, chooses a job for which they are over-qualified or is required to look beyond city limits and commute for employment. While this is a trade-off that many are willing to make for the sake of living in Fort Collins, the result is an untapped well of skill capacity that, if utilized, allows the community to prosper economically without having to grow in terms of population.

One contributing factor to the underemployment challenge is that the Fort Collins' labor market does not always offer open access. According to focus groups and interviews, young professionals in Fort Collins noted that the community "feels small once you're in", but they also commented on the challenges of "breaking in" professionally. Many young professionals who found jobs quickly in the community were able to do so by virtue of personal and family networks, and many of the positions were either created for them or were not advertised to the public at-large. The risk of a tight-knit social network as a driver for employment is that newcomers could be discouraged by their inability to break into existing professional networks. Creating a platform for newcomers, recent graduates, under-employed workers, and relocated professionals to become engaged with the community is an important element of talent management. It gives younger people – and people moving to the area in general – an opportunity to establish a social network in the community and improve their career opportunities. In addition, such a platform can provide Fort Collins' employers with better access to local talent and may reduce the need to recruit talent from outside the community.

Ultimately, the success of an innovation economy lies in the strength of its talent pipeline. A coordinated effort to fill out the talent pipeline will greatly enhance the region's innovation ecosystem and entrepreneurial culture.



Strategies:

1. Create and staff a workforce development program.

1.1. **Partnership.** Work more closely with Larimer County Workforce Center and Workforce Investment Board (WIB).

- Encourage the WIB to act as the conduit between employers and area educational institutions to identify and bridge skills gaps in the existing workforce.
- Incorporate Fort Collins' target industries into the Workforce Center's set of target industries to bring about closer coordination of training programs and emerging industries.
- Promote the Workforce Center's services to businesses and talent across Fort Collins.
- Incorporate workforce development into economic health programming across the city to promote cross-pollination and collaboration.

1.2. **Data.** Collect, analyze, and report workforce data to enhance the community's understanding of its labor force, market, and industry issues.

- Use the existing BRE survey to collect current and localized information on Fort Collins' labor force and labor shed.
- On a quarterly basis, publish a Fort Collins and Larimer County workforce report that provides an overview of pertinent labor market information and highlights important accomplishments, programs, and issues in workforce development.
- Provide updated labor market information on a quarterly basis at the county and city level that is accessible to the public.

1.3. **Training.** Engage employers through meaningful participation and support in programs and initiatives aimed at resolving their specific workforce issues and improving workforce training, including K-12 education.

CASE STUDY: NORTHERN KENTUCKY INDUSTRIAL PARK INDUSTRY PARTNERSHIP

A group of about 50 manufacturers in Northern Kentucky have come together to tackle the perception problem manufacturers face. Though manufacturers have independently undertaken initiatives to influence students' perceptions, they believe a collective approach could be more effective.

The group applied for a \$65,000 grant from the Kentucky Office of Employment and Training to help implement a plan to address the shortage of qualified workers in manufacturing occupations. The first step of the plan is to survey all the existing manufacturers in the region to determine what the job needs are and the core competencies necessary to fill those positions. The next step will be to determine the various reasons young people are not considering jobs in manufacturing and to dispel misconceptions.

The ultimate goal of the program is to develop a talent pipeline that begins in the high schools, goes through the colleges, and continues into the companies.

- Create a sub-committee of the WIB comprised of employers, education institutions, workforce development, and the City to discuss on-going programs and initiatives as well as cross-cutting issues.
- Design programs to address the primary issues raised by the sub-committee.
- Coordinate with industry councils to understand and incorporate their workforce-related issues (see *Objective One, Strategy 1-1.3*).

1.4. **Youth Engagement.** Educate local youth on the wide range of career opportunities available to them locally, with a focus on changing the perception of manufacturing and heavy industry jobs.

- Hold annual career days at local high schools that expose students to different professions through speakers, videos, factory tours, and shadowing opportunities.
- Organize factory tours that showcase the advanced technologies used in manufacturing processes and the skills needed to work in that environment.
- Create an apprenticeship or internship program that would provide hands-on learning experiences for high school students.
- Coordinate with Front Range Community College (FRCC) to promote opportunities available to high school students to obtain certifications and enhance their work readiness upon graduation.
- Include program information and resources for local youth on Fort Collins on-line job board (see *Objective 3, Strategy 2-2.3*).

2. Promote opportunities for leadership training, professional development, and networking.

2.1. **Civic Engagement.** Facilitate greater levels of civic engagement.

- Continue City Works, Leadership Fort Collins, and Envision: Young

CASE STUDY: COLUMBUS, OHIO TALENT INITIATIVES

The Columbus Region has a median age of 34.7 and is home to approximately 30 colleges and universities with a total enrollment of more than 120,000 students and 20,000+ annual graduates. In 2006, the Columbus Chamber, in partnership with public and private organizations, launched a three-pronged initiative to engage and retain this significant local talent base.

Columbusinternships.com

The Columbus Chamber created a website where college students can obtain meaningful internships with local employers.

[Young Professional Connectivity](#)

Each week the Columbus Chamber collects events and activities from Young Professionals' Organizations, corporations, philanthropic organizations, and community councils to populate an **email newsletter**. In addition to the newsletter, the Chamber staffs a **young professionals manager position** and its website **lists approximately 60 different Columbus organizations** for young professionals.

Liveworkplaycolumbus.com

Working with the human resource and recruitment community, the Columbus area Chamber has developed a comprehensive website to assist Columbus region employers in "selling" the region to prospective employees.

For more information, visit www.columbus.org/business-resources/workforce-development/

Professionals as a means of training future leaders, educating them about opportunities to participate in the community, and engaging them. Coordinate the programs to better define their distinct purposes and/or audiences to create a more robust leadership development initiative.

- Encourage emerging leaders to apply for seats on city boards and commissions by hosting workshops on what the various boards and commissions do and providing information on which seats are available.
- Work with local organizations, businesses, and institutions of higher education to develop a volunteer clearinghouse to connect emerging leaders with other opportunities to get involved with the community.
- Create an annual awards program to honor individuals making a difference in the community.

2.2. **Professional Development.** Provide professional development opportunities.

- In partnership with the WIB, establish an internship and apprenticeship program that would match interested high school and college students with local employers.
- Market CSU and FRCC continuing education programs to young professionals through relevant organizations.
- Establish a career mentoring program in partnership with a community partner.

2.3. **Local Employment Opportunities.** Enhance access to and awareness of local employment opportunities.

- Launch an on-line, Fort Collins-centric job and gig board to increase connectivity between employers and talent. Link to

INDEED.COM: OPTIONS FOR JOB & GIG BOARD

Fort Collins can promote local employment opportunities by integrating job posting and job search tools from Indeed.com into existing websites. This is a low-hassle way for the Chamber, City, CVB, and other organizations to engage talent by creating a portal for employers to post jobs and job-seekers to access those listings. In addition to adding valuable content across multiple platforms, each organization can also generate revenue by becoming an access point for job postings.

Instant Job Site™. The Indeed.com Instant Job Site is a way to add a full job search experience to a website, with job listings powered by Indeed.com. Employers pay a fee to post jobs, and searching for jobs is free to users.

Jobroll™. The Jobroll can be added to a site to provide continuously updated job links. The pay-per-click job links can be targeted to the interests and locations of the audience.

Job Search Boxes and Text Links. Indeed.com job search boxes can be embedded in the website.

THE CSU ALUMNI NETWORK: BY THE NUMBERS

Approximately **30,000 students** are currently enrolled at CSU, including resident and non-resident instruction students. The university has approximately **1,500 faculty**. CSU received more than **\$300 million in sponsored research** in 2010, ranking the university in the top 3 percent of institutions without a medical school for research expenditures.

In addition to the significant assets flowing into the community on an annual basis, CSU has **184,586 living alumni** with 27 geographic alumni groups (4 in Colorado and 23 out of state) representing 17 states and 16 common interest groups.

the board from other Fort Collins websites including the City, Chamber, Convention & Visitors Bureau, RMI, CSU Alumni Network, and CSU Career Center. Indeed.com provides a low-cost option for accomplishing this.

- Encourage employers to post job and internship opportunities on the Fort Collins job and gig board.
- Create opportunities for newcomers and job-seekers to network with local entrepreneurs and industry leaders.
- Provide educational opportunities and training workshops to support the 1099 workforce (independent contractors), which has emerged as a rapidly growing sector. Such opportunities and training should be targeted both to workers and the employers contracting with these workers.

3. Strengthen the pipeline of entrepreneurial talent.

3.1. **CSU Alumni Network.** Engage the CSU Alumni Network as a key source of talent.

- Partner with the CSU Alumni Association to communicate to alumni about the innovation-related events and opportunities in Fort Collins.
- Make the Fort Collins job and gig board available to CSU Alumni (See *Objective 3, Strategy 2-2.3*).
- Host alumni reception(s) at RMI with regional alumni groups to showcase what Fort Collins is doing.
- Sponsor a CSU Alumni entrepreneurs network to build a strong connection between RMI and CSU Alumni entrepreneurs, even if they are not currently located in Fort Collins.
- Reach out to successful entrepreneurs and executives who are CSU Alumni, and invite them to join RMI's initiatives.

CASE STUDY: ENTREPRENEURIAL ENGAGEMENT AT THE UNIVERSITY OF TEXAS

The University of Texas at Austin (UT) has embraced innovation as a core component of its culture. Even its branding message reflects this: “What Starts Here Changes the World”. To capitalize on this spirit of innovation and promote economic progress, UT has strengthened its programs to engage student and faculty entrepreneurs and has served as a resources for entrepreneurs in the state. A number of cross-disciplinary programs and events exist to achieve this:

Texas Venture Labs: a campus-wide initiative to accelerate start-ups from UT and the local community as well as create an experience that transforms graduate students into future entrepreneurs and business leaders.

3 Day Start Up: an entrepreneurship education program designed for university students with an emphasis on learning by doing. The idea is simple: start tech companies over the course of three days.

Idea to Product Competition: early stage technology commercialization plan competitions aimed at educating and developing the next generation of technology entrepreneurs.

Entrepreneurs in Residence: seasoned entrepreneurs who serve as mentors for students interested in starting businesses. The Office of Technology Commercialization also employs individuals who are charged with turning the university's research into start-ups.

Austin Technology Incubator: a program to provide a “teaching laboratory” in applied entrepreneurship for UT-Austin students and to promote economic development in Central Texas through entrepreneurial wealth and job creation.

3.2. **CSU Entrepreneurial Talent.** Increase the involvement of CSU, in particular the Colleges of Business and Engineering, as sources of entrepreneurial talent.

- Strengthen the existing entrepreneurship program in the College of Business, and extend its reach across campus.
- Introduce intensive business formation courses and events to generate interest in and momentum for student-led entrepreneurial ventures.
- Create a student internship program at RMI to prepare students for employment in start-up and young companies.
- Continue to explore ways of engaging faculty in technology commercialization and business formation through the revision of tenure policies to factor in such activities, by educating faculty about commercialization, and by fostering a more entrepreneurial culture in general.
- Coordinate continuing education programs in partnership with RMI and the SBDC to provide a full range of education opportunities to University entrepreneurs.

3.3. **Local Entrepreneurial Talent.** Leverage the knowledge base of seasoned entrepreneurs in Fort Collins.

- Continue to recruit volunteer advisors who are entrepreneurs to participate in RMI.
- Create networking opportunities for new entrepreneurs to interact with seasoned entrepreneurs.
- Host a speaker series that features seasoned entrepreneurs talking about lessons learned and topics of interest.

4. Use tourism and visitation as a talent and business outreach strategy to support industry cluster development.

4.1. **Community Portal.** Update the Convention and Visitors Bureau (CVB) website to also serve as portal for talent and businesses interested in relocating to Fort Collins.

- For individuals looking to relocate to Fort Collins, include links to relocation information on the Chamber website and to job searching tools.

CASE STUDY: SILICON VALLEY COMES TO THE UK

The Silicon Valley Comes to the UK program is an invitation-only series of events that brings together leading investors, iconic serial entrepreneurs, ambitious students, and successful angels from the UK with leading Silicon Valley serial entrepreneurs and investors to discuss, debate, create, and fund today's most disruptive internet and green technologies.

The objective is to inspire students and alumni to consider starting or joining an entrepreneurial business at some point after graduation and to foster relationships between the leading entrepreneurs, angels, and investors from Silicon Valley and Europe.

At the 2011 forum, the movers and shakers from Silicon Valley shared their views about the new and innovative business models they see as the most disruptive across the Gaming and the Consumer Internet sectors.

For more information, visit www.svc2uk.com/

- For entrepreneurs, include links to RMI and www.FortCollinsInnovation.com.
- For businesses, include links to Economic Health Office and NCEDC.

4.2. **Targeted Conference Strategy.** Coordinate a conference strategy that would bring key talent and businesses to Fort Collins.

- Partner with industry cluster managers, the CVB and CSU Conference Services to identify conferences and events as well as groups of professionals and businesses that would help strengthen Fort Collins' industry clusters.
- Recruit conferences to Fort Collins, or plan conferences or symposia that would appeal to targeted groups of professionals and businesses, and use these conferences as opportunities to showcase Fort Collins to these targeted audiences.

4.3. **Industry Tours.** Organize industry-specific tours to increase private sector support for research in Fort Collins

- Work with CSU research centers, industry cluster managers, and federal labs to identify potential industry partners.
- Invite potential partners to Fort Collins to showcase how their research and development agendas can be advanced by the research capabilities of Fort Collins organizations and institutions.
- Create a database of the potential partners in the CRM system (*see Goal 1, Strategy 1 – 1.2*) and ensure that the relationships are tracked in the system.
- Provide support to appropriate parties in following up with partners on a regular basis through phone calls, emails, and eNewsletters.

4.4. **Downtown Hotel & Conference Center.** Support the development of a blue-ribbon hotel and conference center in or adjacent to downtown (*see Goal 4, Strategy 1*).

GOAL 4: COMMUNITY CULTURE / QUALITY OF PLACE

Develop community assets and infrastructure necessary to support the region’s employers and talent.

PRIORITY PROJECTS

1. Hotel Conference Center
2. Business Park Feasibility
3. Revitalization of Foothills Mall

SUGGESTED METRICS

- Investment in target areas and catalyst projects
- Residential units, commercial and industrial space

The City of Fort Collins ranks at the top of many lists, including: “Most Economically Vibrant College Towns;” “Best Bicycle Cities;” “Smarter Cities’ for Energy;” and “Best Places to Live.” The city enjoys a scenic setting in the foothills of the Rocky Mountains, as well as a moderate climate that attracts avid athletes, families, entrepreneurs, students, and retirees. The community also boasts amenities such as an extensive system of parks and trails, award-winning schools, a large research university, and a thriving arts and music

scene. These community assets and amenities are invaluable in creating the quality of place that supports a vibrant economy.

The City of Fort Collins is committed to maintaining and improving its community assets and amenities in recognition of their importance to economic health. The City’s investment in the Mason Corridor Bus Rapid Transit (BRT) system and the LEED Platinum Fort Collins Museum of Discovery are two examples of this commitment. In addition, recent capital improvement initiatives have enabled the City to build Northside Atzlan Center, acquisition of Soapstone Open Space, Gateway Park, Edora Skate Park,

SELECT FORT COLLINS HONORS & AWARDS

One of America's 20 Most Economically Vibrant College Towns:
TheAtlanticCities.com - September 2011

Ranked 5th Best Places for Business and Careers:
Forbes - June 2011

One of the Top 10 Cities Adopting Smart Grid Technology:
U.S. News and World Report - May 2011

Top Colorado City for Job Growth, Fort Collins-Loveland:
2011 Best Cities for Job Growth, newgeography.com - May 2011

Named 5th Most Educated City in the Country:
Portfolio.com - December 2010

One the Top 25 Best Places to Retire:
CNNMoney.com - September 2010

One of the Top 10 Best College Towns:
Small-Sized Cities Category, USA Today - September 2010

One of the Top Six 'Smarter Cities' for Energy:
NRDC - August 2010

6th Best Place to Live in the Nation:
Money Magazine - July 2010

Ranked 4th Best Places for Business and Careers:
Forbes - April 2010

the new City office building at 215 N. Mason, the Downtown Transit Center, and the Civic Center Parking Structure. Funds were also used for numerous street improvements, to improve Edora Pool and Ice Center, and to construct a new Horticulture Center. The City has also identified areas for infill and redevelopment and continues to enhance the physical and natural environment of Fort Collins. This continuous investment in community assets and amenities has paid high dividends.

Amenities retain and attract talented workers and innovative companies. However, for companies, expanding in and relocating to Fort Collins can be difficult, both because of the scarcity of larger commercial and industrial space and because of the perceived nature of the development approval process. This poses a threat to the tax base and ultimately to fiscal sustainability. Investment in a “grow-your-own” strategy for economic development will only be rewarded if local employers possess both the capacity and desire to grow within the city limits.

Strategies:

1. Focus on community improvement by encouraging the development of vibrant business districts, commercial nodes, and commercial corridors through the use of catalyst projects and an economic development toolbox.

1.1. Targeted Infill & Redevelopment. Identify specific areas to target for infill and redevelopment opportunities.

- Hold workshops for each target area with land owners and developers to craft a common vision for the area, define desirable outcomes, and identify potential catalyst projects.
- Translate the vision into a viable blueprint that establishes a plan for achieving the vision.
- Continue to assess the City's regulatory framework to ensure it is supportive of desired development.
- Ensure that land use policies encourage high density uses and foster high-quality development.
- Develop specialized toolsets using special financing districts, overlay districts, and other mechanisms to encourage the implementation of the city's vision for each targeted area. (See *Economic Health Toolbox on following page*).
- Continue to participate in public-private partnerships that facilitate significant infrastructure improvements and quality redevelopment projects.
- Encourage the expansion or relocation of business in targeted development areas to stimulate commercial activity.

CATALYST PROJECTS

One of the City's primary roles in supporting the economic health of Fort Collins will be identifying and advancing projects that will augment the assets and amenities of the community and stimulate private investment in targeted areas. Below is a list of select projects that have recently been completed, are underway, and are planned.

Recently Completed:

- Rocky Mountain Innosphere
- Fort Collins Museum of Discovery
- Soapstone Prairie Natural Area
- Fort ZED 5 Megawatt Jumpstart Demonstration Project
- Linden Street Improvements
- North College Marketplace

Underway:

- Fort ZED
- Mason Corridor Bus Rapid Transit
- Redevelopment of Foothills Mall
- North College Improvements

Planned or Potential:

- Downtown Hotel & Conference Center
- Bike Library Alternatives
- Jefferson Street Alternatives
- South Transit Center
- Mountain Vista Employment Center

Targeted Areas:

- Mason Corridor
- Harmony Road Corridor
- North College Corridor
- South College Corridor
- Downtown
- Interstate 25 Gateways

- Reach out to the developer and broker communities to communicate the City’s vision for those areas and how the City can participate.

1.2. **Catalyst Projects.** Focus on strategic projects that inspire private sector response in the target areas.

- Identify anchor projects that can bring in the type of traffic and uses needed to catalyze development and realize the vision in the target area.
- Work with the Economic Health Stakeholder Group (*See Implementation Section, Role #2*) to prioritize list of catalyst projects.
- Develop a work plan for the projects of highest priority that includes tasks, a timeline, resource needs, and expected outcomes.
- Create a financing plan that leverages available public sector sources with private sector funds.
- Manage the project from start to finish to ensure its implementation.

2. **Preserve and enhance the features of Fort Collins’ culture and economy that make it unique.**

2.1. **Bike Culture.** Continue to support and enhance Fort Collins’ bike culture and cycling industry.

- Continue to support the development of Fort Collins as a destination for bicycle-oriented visitors through cultural events, sporting events, and tourism products.
- Leverage business opportunities that arise from Fort Collins’ bike culture as a means of expanding the Uniquely Fort Collins industry cluster.

2.2. **Craft Brewing.** Leverage the presence of the breweries in Fort Collins to grow the craft brewing industry and attract visitors.

- Support the creation of a craft brewing industry showcase that focuses on the business of brewing and builds Fort Collins reputation as a leader in the industry.
- Integrate water conservation efforts with the craft brewing industry.

2.3. **Regional Destination.** Reinforce Fort Collins’ position as a regional center.

ECONOMIC HEALTH TOOLBOX

Special Financing Districts

- Tax Increment Financing
- General Improvement District
- Special Improvement District
- Metropolitan Improvement District
- Business Improvement District Public Improvement Fee

Low-Interest Capital

- Private Activity Bond
- Section 108 Loan Guarantee

Tax Rebates

- Use Tax Rebate
- Personal Property Tax Rebate

For Low to Moderate Income Areas / Individuals

- New Market Tax Credit
- Affordable Housing Fund
- HOME Investment Partnership Grant
- Community Development Block Grants
- Section 108 Loan Guarantee

Source: City of Fort Collins.

- Continue the refinement of a retail strategy to position Fort Collins as a regional retail center, and prioritize redevelopment opportunities for retail in targeted investment zones.
- Include projects on the catalyst project list that add to the recreation and entertainment opportunities in Fort Collins that draw regional visitors.
- Be supportive of the regional healthcare providers and higher education institutions in Fort Collins in delivering high quality services.

3. Ensure that companies in Fort Collins have options for expansion and relocation within the city limits.

3.1. **Needs Assessment.** Conduct a needs assessment to determine types of space that will most likely be in demand.

- Collaborate with CSU, RMI, and the regional development community to understand what types of commercial and industrial space are available, what is currently in demand, and what the most promising companies are likely to need.
- Work with the industry cluster managers to identify typical space requirements needed to support industry clusters.
- Survey clients of RMI, the CSU-based Engines and Energy Conversion Lab (EECL), and the CSU-based Research Innovation Center (RIC) to understand what their future needs will likely be.
- Aggregate and present this information to the City Council, community leadership, and local land owners and developers to inform them of the likely short-term and long-term needs of Fort Collins' businesses.

3.2. **Sites Inventory.** Work with the broker community to create and maintain an inventory of available space in Fort Collins that meets the above criteria.

- Partner with private property owners to market their available space to companies looking to expand or relocate in Fort Collins.
- Assist the brokers in identifying promising tenants within Fort Collins industry clusters.
- Share information with prospects and business assistance clients on what sites are available.
- Update the list monthly.

3.3. **Feasibility Evaluation.** If available space is not adequate to meet long-term goals for business growth and economic diversification, evaluate feasibility of establishing a new technology park or parks in City's Growth Management Area (GMA).

- Potential sites for parks include an Innovation Park that would connect the EECL and RMI, the Prospect Technology Park on the 100 acres of university-owned land with I-25 frontage, and a site in the Mountain Vista area.
- Preserve potential sites as future employment centers through zoning and land-use policies and possibly land banking.

4. Monitor the business and development climate to ensure Fort Collins' ability to nurture business.

4.1. **Development & Business Assistance.** Support the predictability and transparency of the development and business assistance process.

- Develop a clear incentives policy that outlines the use of the City's economic health tool box.
- Work with representatives of the local business and development community to gather input on the development review process, and work closely with the City Council to continue to help make the development approval process as predictable and transparent as possible.
- Continue to benchmark the local permitting process against similar processes in neighboring communities.
- Continue to shepherd companies through the development process as needed.
- Publicize the existing outline of the development process to brokers, developers, and the community-at-large, and enhance the outline where necessary.
- Encourage high quality development and redevelopment by addressing any issues through continuous improvement.



4.2. **Policy Analysis.** Advocate for economic health interests in government policies and programs that impact the business climate.

- Create input mechanisms for the business community to provide continuous feedback on business climate issues.
- Communicate with elected officials on key issues.
- Seek opportunities to integrate economic health objectives into City policies and programs to improve the business climate.
- Create a culture of empowerment that adapts rapidly and cost efficiently in response to the changes in the business environment.

5. **Continue to foster arts and culture as an economic driver.**

5.1. **Creative Industry Support.** Increase and improve opportunities for learning and expanding creative industries in Fort Collins.

- Encourage partnerships between educational, cultural, and business institutions that create opportunities.
- Expand opportunities for arts education programming and participation for youth and adults.
- Support the Arts Incubator of the Rockies as a means of strengthening creative enterprises.

5.2. **Arts & Culture Promotion.** Promote visibility of the Arts and Culture.

- Showcase the creative industries of Fort Collins through events such as Bohemian Nights and New West Fest.
- Provide opportunities for local artists to display their works in public spaces across the City.
- Seek opportunities for Fort Collins artists to reach national and even international audiences.
- Continue and support active arts and entertainment such as Streetmosphere and Beet Street.

5.3. **Incubation.** Leverage the Arts Incubator of the Rockies (AIR) to enhance the creative sector and foster a more creative business climate.

- Encourage AIR to develop a “Big Thinking” facility that provides free form space for collaborative interdisciplinary teams to meet and brainstorm.
- Assist AIR in developing a curriculum designed to encourage non-creative industry to leverage the benefits of the creative thought process.

THE ARTS INCUBATOR OF THE ROCKIES (AIR)

AIR will provide education, resources, and support to increase the economic viability of the region’s artist and arts organization. It will also offer administrative services, professional resources, and gallery and performance spaces to students and professionals to assist them in launching and sustaining their careers in creative industries. AIR plans to serve communities throughout the Intermountain West through new technologies and distance learning opportunities.

AIR will be housed in the Carnegie Library Building in Downtown Fort Collins. It is a partnership between Beet Street, the City of Fort Collins Cultural Services Department, and the Leadership, Entrepreneurship, Advocacy, and Performance Institute for the Arts (LEAP) at CSU.

For more information, <http://airartsincubator.org/>

5.4. **Art in Public Places.** Expand the role of Art in Public Places.

- Encourage the use of art as a way-finding tool.
- Develop a mechanism for making the program available as a service to private development.

6. **Improve the delivery of high quality early childhood education and other services to support working families.**

6.1. **Support for Childcare Providers.** Work with the Fort Collins small business support network to tailor programs for childcare providers.

- Partner with the appropriate agencies, and prepare information in the form of a planning guide to educate interested parties on how to start a child care facility, applicable regulatory requirements, funding opportunities, and links to other child care resources.
- Introduce training programs and technical support services specifically for childcare providers and family child care homes.
- Incentivize inclusion of childcare facilities in affordable housing, transit-oriented developments, and employment centers.



6.2. **Access to Capital.** Make funding available to support childcare-oriented businesses.

- Consider childcare businesses as allowable applicant for Section 108 Loan Program.
- Allow funds in TIF districts to be used for the development of childcare facilities.
- Pursue state and federal funding sources such as the Community Development Block Grant (CDBG) to provide capital and leverage private investment to support the expansion and development of childcare facilities.

6.3. **Support Services.** Support a needs assessment and gap analysis to identify missing support services in the community.

- Conduct a needs assessment to better understand the challenges faced by Fort Collins' working families.
- Identify any gaps in the social safety net, including access to affordable housing, training, health insurance, and transportation.
- Develop strategic initiatives and programs to fill these gaps.

IMPLEMENTATION

The 2012 Economic Health Strategic Plan (EHSP) is an ambitious plan that builds upon both the 2005 Economic Action Plan and the Plan Fort Collins comprehensive plan. Though ambitious, the objectives and strategies laid out in this plan are realistic and manageable. In keeping with the broader goals of the community, they also have the ability to be transformative. For this to occur, the City must embrace an organizational structure that will strengthen its capacity for economic initiatives, track its progress towards implementation, and monitor its strategies.

Organizational Structure

The Economic Health Office (EHO), charged with managing economic health activities, includes the economic advisor, communications manager, and the redevelopment program administrator. This is a lean staffing structure. In comparison, Fort Collins' peer communities have a staff of 6 to 10 employees devoted to these programs. With its current staffing, the EHO has little extra capacity to take on new initiatives. In order to implement the 2012 EHSP, the EHO should partner with other departments within the City that are working on issues that affect economic health and enhance relationships with community service providers. This will allow the City of Fort Collins to leverage its resources devoted to the implementation of the EHSP.

Within the City of Fort Collins, many departments - from transportation to planning to waste management to purchasing - are managing projects and programs that affect the economic health of the city. The EHO should forge relationships with staff in these various departments in order to integrate the economic health initiatives across the organization.

In addition, Fort Collins is fortunate to have multiple service providers that can take the lead on many of the initiatives with the City playing a more "behind the scenes" role. There are approximately 15 full-time employees working in organizations related to economic development, including NCEDC, the Chamber, RMI, the WIB, the CVB, the Poudre River Public Library, and the SBDC. By forging stronger, formal partnerships with these organizations, the City of Fort Collins can leverage its resources and free City staff to focus on strategic initiatives. This move would also have the added benefit of unifying the efforts of all partners under a single vision and set of objectives. This, in turn, will expand the capacity of the City to move its economic health program beyond the basics of business retention, expansion, and creation.

The City of Fort Collins should formalize partnerships with memoranda of understanding and in some cases through contracts with organizations to provide economic health services. Many of the existing service providers have additional funding sources to supplement City funding. They also already have or are in a position to build the expertise needed to create more robust basic programs. Under this new model, the City will need to define its role and the role of its service providers in administering the economic health program. Our recommendations for the role of the City are on the following pages.

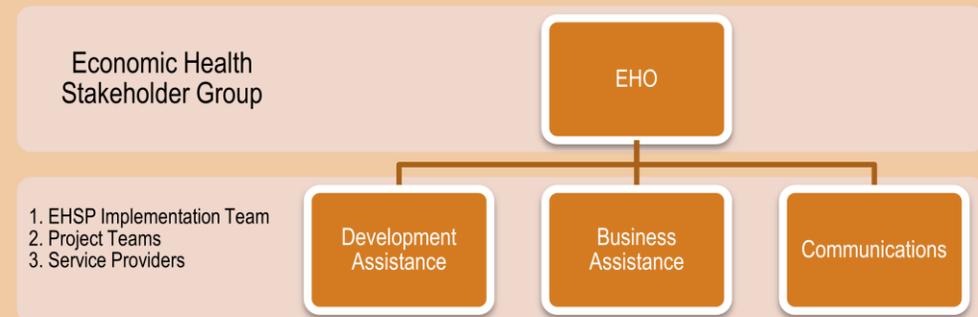
The Role of the City of Fort Collins in Economic Health

1. **Manager:** through policy, partnerships, and leadership, ensure the implementation of the EHSP and the provision of basic economic health programs.
 - Create a concrete scope of work, procure services, and structure MOUs and contracts with service providers for business creation, attraction, retention, and expansion services.
 - Monitor contracts and evaluate performance of service providers.
 - Create an EHSP implementation team composed of City staff from relevant departments and representatives from service providers who will be charged with responsibility for implementing specific strategies. Call the team together at regular intervals to report on progress, identify obstacles to implementation, and jointly craft solutions.
 - Monitor the implementation of the EHSP through a set of discrete metrics (see *Implementation Matrix*).

2. **Convener:** Create an Economic Health Stakeholder Group (EHSG). This group would provide a platform for collaboration between parties directly involved with shaping the economic future of the city. Membership would include:
 - a. private sector representation from the technology sector, healthcare, retail, tourism, and from small businesses
 - b. foundations and non-profits
 - c. CSU and FRCC

PROPOSED ORGANIZATIONAL STRUCTURE OF THE ECONOMIC HEALTH OFFICE

The new Economic Health Office will be one of three legs of the Sustainability Services Area, along with Environmental Health and Social Sustainability. It will have three divisions: Development Assistance, Business Assistance, and Communications. These divisions will be assisted by the EHSP Implementation Team, Catalyst Project Teams, and contracted service providers to manage the day-to-day activities associated with the on-going economic health programs. The Economic Health Stakeholder Group will provide input to the EHO to guide the choice and prioritization of catalyst projects.



- Hold quarterly meetings to discuss collaboration opportunities, catalyst projects, and strategic initiatives needed to realize the economic health vision of Fort Collins. The group should identify action items and assign responsibility to group members to ensure realization of priority projects. The City should provide administrative support.
 - Identify and prioritize catalyst projects (See *Objective 4, Strategy 3-3.2*).
 - Create an online forum for continuous dialogue among the EHSg members.
3. Champion: advocate for policies and programs at the City that promote the economic health of Fort Collins.
- Communicate to city staff and elected officials the importance of the economic health program, through workshops and newsletters.
 - Seek economic opportunities related to City policies and programs, particularly as they relate to sustainability.
 - Monitor the development process to ensure that it supports business expansion, retention, and formation.
4. Catalyst: support projects through the economic development toolbox.
- With the Economic Health Stakeholder Group, devise and maintain a list of priority catalyst projects with clearly defined vision and goals for the project as it relates to the City's over-all vision.
 - Identify the appropriate partners for the project and form a project team charged with moving the project forward.
 - Maintain a "major projects" list that tracks progress and reports activities.
 - Cultivate connections with the developer and broker community, and establish close working relationships.
5. Strategic Partner: assist developers and businesses to navigate the City's development and economic assistance processes.
- Educate developers and businesses about services and programs available to them.
 - Serve as a resource for developers of projects in targeted development areas and for businesses expanding or growing in Fort Collins.
6. Communicator: communicate to residents and elected officials the importance of economic health programs and the notable activities of the EHO.
- Continue to use the Economic E-Newsletter to feature stories on various economic health initiatives within the City.
 - Create a module for Leadership Fort Collins to discuss the basics of economic development, how economic development is "done" in Fort Collins, and why it is important.
 - Use local electronic and print media as communications partners for reaching residents and educating them about economic development and for building awareness of and support for economic health initiatives.

7. Reporter: report progress, performance, successes.
 - Track performance metrics and outcome measures to understand the success of the City's economic health initiatives and the health of the City's economy, in general.
 - Create a standard report card to be updated annually that would make key data and findings available to the general public (and that can be integrated into the existing Community Scorecard).
 - Publicize successes from economic health initiatives, as well as entrepreneurial ventures, to businesses and residents of Fort Collins.

Next Steps

Upon the adoption of the 2012 EHSP by the City Council, the City will initiate the implementation process. The steps for initiating the process are as follows:

1. Form the EHSP implementation team as outlined on p. 44.
2. Host an economic forum in collaboration with community partners to roll-out the EHSP and draw in stakeholders for implementation.
3. Designate a team leader for each strategy.
 - a. Evaluate resources needed to implement each strategy.
 - b. Create a work plan that prioritizes strategies, sets performance targets, and outlines what, if any, additional resources will be needed.
4. Establish regular dates for the implementation team to meet.
5. Adopt mechanisms and tools for tracking implementation progress, sharing information, and communicating.

Implementation Matrix

An implementation tracking tool was created in Microsoft Excel to allow the EHO to assign responsibility and a target completion date as well as track the status. A copy of this tool is provided below.

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				1: Business Support	Enhance Fort Collins' business retention and expansion program.	
				1: Business Support	Continue to expand the visitation program to the city's largest employers	
				1: Business Support	Establish and maintain relationships with at least the top 20 largest employers in Fort Collins to keep a direct line open to the business community.	
				1: Business Support	City officials should visit these employers annually to understand their economic health, ascertain any needs, and identify ways the City can help.	
				1: Business Support	For those employers with headquarters located outside of Fort Collins, establish relationships by meeting face to face with executives from the headquarters, either in their home office or on a trip to Fort Collins.	
				1: Business Support	Continue to expand the reach of the employer survey, and coordinate with NCEDC to produce county-wide results.	
				1: Business Support	Establish and maintain a database of existing businesses in Fort Collins using Sales and Use Tax licenses. Revise the application form to include information useful for the BRE program, such as number of employees, email address of contact, and applicable North American Industry Classification System (NAICS) code.	
				1: Business Support	Use this database to populate a web-based system that can be shared between the City, NCEDC, and the Chamber. Examples of such systems include Synchronist OpMgr, Executive Pulse, ACT!, and Salesforce.com.	
				1: Business Support	Include questions on the survey for employers regarding their attitude toward the business climate, talent availability, and workforce quality in Fort Collins.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				1: Business Support	Administer an online survey to the database of employers on an annual basis.	
				1: Business Support	Conduct regular visits to at least 40 businesses each year; schedule in-person interviews to ask detailed questions about business needs.	
				1: Business Support	Compile the results of the survey and key findings from the visits into an annual report on the state of Fort Collins' businesses and the overall business climate. Flesh out any issues that arise with facts and data that provide readers with information on the current state of affairs.	
				1: Business Support	Create formal response mechanisms, such as a rapid response team, to address the needs of any employer facing closure or relocation outside of Fort Collins. The team should be composed of representatives from the various economic development stakeholders that have the ability and authority to directly address the needs of the employer.	
				1: Business Support	In collaboration with community partners, establish industry councils for broad industry groups such as manufacturing, healthcare, and technology.	
				1: Business Support	Hold regular meetings to provide forums for communication.	
				1: Business Support	Identify cross-cutting issues that affect the sector.	
				1: Business Support	Craft solutions, monitor the issues, and track progress towards addressing the issues.	
				1: Business Support	Establish a business appreciation program that recognizes existing businesses in the community.	
				1: Business Support	Participate in the Colorado Companies to Watch program.	
				1: Business Support	Develop an annual event to recognize existing businesses in the community.	
				1: Business Support	Develop an on-going program to recognize companies based on their anniversary (e.g. 5, 10, 20, 30, and 50 years).	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				1: Business Support	Create stronger connections between components of Fort Collins's small business support system.	
				1: Business Support	Institute a coordinated small business support network by fostering more interaction between small business service providers including the Chamber, SBDC, the Poudre River Public Library's Business and Non-Profit Center, Be Local Northern Colorado, Arts Incubator of the Rockies (Beet Street), and others.	
				1: Business Support	Hold periodic meetings of these stakeholders to plan or share calendars of events, discuss ideas and issues, and identify ways to better serve the small business community of Fort Collins.	
				1: Business Support	Identify barriers to starting a business in Fort Collins, and work with the appropriate entities to alleviate those barriers.	
				1: Business Support	Coordinate a communications and outreach effort to inform the small business community of the resources available to them.	
				1: Business Support	Fill gaps in services to ensure that small businesses have access to the services and resources that they need.	
				1: Business Support	Expand the Business and Nonprofit Center's information clearinghouse to provide sophisticated, high quality industry and market information to small businesses and entrepreneurs.	
				1: Business Support	Strengthen the capacity of the SBDC to provide the small business community with one-on-one counseling.	
				1: Business Support	Establish a more comprehensive technical assistance and training program that offers workshops and training series for basic and advanced education for small business owners.	
				1: Business Support	Continue to encourage Fort Collins residents to support local business.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				1: Business Support	Focus the Shop Fort Collins First initiative on encouraging residents to make retail purchases in Fort Collins instead of going elsewhere.	
				1: Business Support	Continue to raise awareness of the benefits of shopping local with an on-going communications and marketing campaign.	
				1: Business Support	Strengthen the City's commitment to local business through its procurement practices and programs to help local businesses secure City contracts.	
				1: Business Support	Encourage CSU and other large purchasers to source locally.	
				2: Innovation	Expand the Rocky Mountain Innosphere's role as the nexus for innovation in both Fort Collins and the Front Range.	
				2: Innovation	Foster continuous collaboration between academia, the private sector, the public sector, and non-profits to promote a more entrepreneurial culture and train entrepreneurial leadership and talent.	
				2: Innovation	Engage the leadership of organizations, enterprises, and institutions that can move forward ideas and projects to catalyze innovation in Fort Collins and the greater region.	
				2: Innovation	Encourage innovation and collaboration through showcase events, speaker series, and networking opportunities.	
				2: Innovation	Continue to strengthen and expand RMI's business incubation program.	
				2: Innovation	Promote entrepreneurial education at Poudre School District, Front Range Community College, and CSU by facilitating the creation of programs that focus on entrepreneurial training, technology commercialization, and business formation.	
				2: Innovation	Actively engage CSU students in entrepreneurial activities through student internships, capstone projects, colloquia and conferences, and business plan contests that provide opportunities for interaction with local entrepreneurs and innovative companies.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				2: Innovation	Interact with other innovative regions world-wide to stay informed of cutting-edge models for innovation.	
				2: Innovation	Provide support for industry cluster groups.	
				2: Innovation	Differentiate between types of clusters: emerging, growth, existing.	
				2: Innovation	Incubate nascent groups through coordination of activities, outreach, and information.	
				2: Innovation	Provide administrative support for cluster groups that need less than full-time support.	
				2: Innovation	Serve as a resource for cluster managers on best practices and strategies for cluster development.	
				2: Innovation	In partnership with the City, coordinate a challenge grants program to fund industry cluster projects.	
				2: Innovation	For select industries, contract or hire industry experts to provide technical know-how to support commercialization, business formation, and business growth.	
				2: Innovation	Periodically review industry clusters programs and economic data to identify emerging clusters that need administrative support and to determine if existing clusters have reached critical mass and no longer need administrative support.	
				2: Innovation	Continue to provide incubation services to start-ups with a renewed focus on successful funding and exit.	
				2: Innovation	Continue to provide networking and educational opportunities for entrepreneurs through events such as Innovation After-Hours, and the Social and Advisory Group for Entrepreneurs (SAGE).	
				2: Innovation	Raise the profile of RMI clients through a stringent application process and initial screening.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				2: Innovation	Build a strong network of seasoned entrepreneurs, business service providers, financing experts, and technical experts willing to volunteer time to work with the most promising ventures.	
				2: Innovation	Create a relationship map that provides entrepreneurs with access to Fort Collins' network of business services, technical know-how, and capital sources.	
				2: Innovation	Partner with existing training and technical assistance providers to educate entrepreneurs in the basics of business.	
				2: Innovation	Strengthen ties to innovation-driven communities.	
				2: Innovation	Consider outside members to serve on local boards.	
				2: Innovation	Actively develop entrepreneurial linkages with other incubators, institutes, and businesses.	
				2: Innovation	Organize visitations and exchanges to peer communities to share best practices and lessons learned.	
				2: Innovation	Retain, develop, and recruit entrepreneurs and cutting-edge companies that align with Fort Collins' culture and values.	
				2: Innovation	Foster a nurturing entrepreneurial culture that anchors talent and companies in Fort Collins.	
				2: Innovation	Support RMI in its activities to promote an entrepreneurial culture.	
				2: Innovation	Incorporate entrepreneurs in the Economic Advisory Commission and in the Economic Health Stakeholder Group.	
				2: Innovation	Use local media outlets to celebrate entrepreneurial ventures and stories.	
				2: Innovation	Showcase local innovations and innovators in community centers including Old Town, the Fort Collins Museum of Discovery, and Foothills Mall.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				2: Innovation	Build a robust capital network as part of NoCo Capital by formalizing access to the capital already present in Fort Collins and building better relationships with the venture community outside of Fort Collins.	
				2: Innovation	Establish a pre-seed fund through monetary and in-kind donations.	
				2: Innovation	Formalize an angel network in Northern Colorado, and form a syndication network with other regional angel networks to bolster deal flow.	
				2: Innovation	Actively market qualified Fort Collins-based start-ups to non-local investors to get Fort Collins on their radar. Focus on Denver and Boulder investors.	
				2: Innovation	Encourage and support local entrepreneurs in tapping into federal funding sources by applying for Small Business Innovation Research (SBIR) grants, Small Business Technology Transfer program (STTR), and other programs available to entrepreneurs.	
				2: Innovation	Expand the revolving loan fund seeded by the Section 108 HUD grant by seeking funding from organizations such as the US Economic Development Agency (EDA). Consider contracting with a Community Development Financial Institution to manage the fund.	
				2: Innovation	Work with NCEDC and other community partners to recruit those companies vital to the success of Fort Collins' industry cluster initiatives.	
				2: Innovation	Collaborate with the industry cluster groups to identify important components of their industries missing in Fort Collins.	
				2: Innovation	Target specific companies that fill supply chain gaps and niches in the target industry clusters - Clean Energy, Water Innovation, Bioscience, Technology, and Uniquely Fort Collins.	
				2: Innovation	Be responsive to prospects that mesh well with the culture and values of Fort Collins.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				2: Innovation	Raise awareness of Fort Collins as a hotbed of innovation to attract or engage both investors and entrepreneurial talent.	
				2: Innovation	Leverage CSU alumni network to communicate with alumni who are entrepreneurs, looking to invest in Fort Collins, or looking to return to Fort Collins.	
				2: Innovation	Collaborate more closely with Metro Denver to raise awareness of the activities occurring in Fort Collins.	
				2: Innovation	Partner with entrepreneurship support organizations in the Greater Denver region to market opportunities in Fort Collins to a broader Colorado technology-executive talent pool.	
				2: Innovation	Market what Fort Collins and CSU are doing regarding technology start-ups to the specialists and executives already in Fort Collins, especially those at large firms.	
				2: Innovation	Technology Transfer / Commercialization. Expand Fort Collins' capacity to support technology commercialization and product development.	
				2: Innovation	Work with local manufacturers and companies to create an asset map of the resources and services available in the region to support product development and early-stage manufacturing.	
				2: Innovation	Identify areas of the product lifecycle that Fort Collins does not currently (but should) support with local services.	
				2: Innovation	Develop and execute projects and initiatives to address the above gaps.	
				3: Talent Management	Create and staff a workforce development program.	
				3: Talent Management	Work more closely with Larimer County Workforce Center and Workforce Investment Board.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				3: Talent Management	Encourage the WIB to act as the conduit between employers and area educational institutions to identify and bridge skills gaps in the existing workforce.	
				3: Talent Management	Incorporate Fort Collins' target industries into the Workforce Center's set of target industries to bring about closer coordination of training programs and emerging industries.	
				3: Talent Management	Promote the Workforce Center's services to businesses and talent across Fort Collins.	
				3: Talent Management	Incorporate workforce development into economic health programming across the city to promote cross-pollination and collaboration.	
				3: Talent Management	Collect, analyze, and report workforce data to enhance the community's understanding of its labor force, market, and industry issues.	
				3: Talent Management	Use the existing BRE survey to collect current and localized information on Fort Collins' labor force and labor shed.	
				3: Talent Management	On a quarterly basis, publish a Fort Collins and Larimer County workforce report that provides an overview of pertinent labor market information and highlights important accomplishments, programs, and issues in workforce development.	
				3: Talent Management	Provide updated labor market information on a quarterly basis at the county and city level that is accessible to the public.	
				3: Talent Management	Engage employers through meaningful participation and support in programs and initiatives aimed at resolving their specific workforce issues and improving workforce training, including K-12 education.	
				3: Talent Management	Create a sub-committee of the WIB comprised of employers, education institutions, workforce development, and the City to discuss on-going programs and initiatives as well as cross-cutting issues.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				3: Talent Management	Design programs to address the primary issues raised by the sub-committee.	
				3: Talent Management	Coordinate with industry councils to understand and incorporate their workforce-related issues (see Objective One, Strategy 1-1.3).	
				3: Talent Management	Educate local youth on the wide range of career opportunities available to them locally, with a focus on changing the perception of manufacturing and heavy industry jobs.	
				3: Talent Management	Hold annual career days at local high schools that expose students to different professions through speakers, videos, factory tours, and shadowing opportunities.	
				3: Talent Management	Organize factory tours that showcase the advanced technologies used in manufacturing processes and the skills needed to work in that environment.	
				3: Talent Management	Create an apprenticeship or internship program that would provide hands-on learning experiences for high school students.	
				3: Talent Management	Coordinate with Front Range Community College (FRCC) to promote opportunities available to high school students to obtain certifications and enhance their work readiness upon graduation.	
				3: Talent Management	Include program information and resources for local youth on Fort Collins on-line job board.	
				3: Talent Management	Promote opportunities for leadership training, professional development, and networking.	
				3: Talent Management	Facilitate greater levels of civic engagement.	
				3: Talent Management	Continue City Works, Leadership Fort Collins, and Envision: Young Professionals as a means of training future leaders, educating them about opportunities to participate in the community, and engaging them. Coordinate the programs to better define their distinct purposes and/or audiences to create a more robust leadership development initiative.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				3: Talent Management	Encourage emerging leaders to apply for seats on city boards and commissions by hosting workshops on what the various boards and commissions do and providing information on which seats are available.	
				3: Talent Management	Work with local organizations, businesses, and institutions of higher education to develop a volunteer clearinghouse to connect emerging leaders with other opportunities to get involved with the community.	
				3: Talent Management	Create an annual awards program to honor individuals making a difference in the community.	
				3: Talent Management	Provide professional development opportunities.	
				3: Talent Management	In partnership with the WIB, establish an internship and apprenticeship program that would match interested high school and college students with local employers.	
				3: Talent Management	Market CSU and FRCC continuing education programs to young professionals through relevant organizations.	
				3: Talent Management	Establish a career mentoring program in partnership with a community partner.	
				3: Talent Management	Enhance access to and awareness of local employment opportunities.	
				3: Talent Management	Launch an on-line, Fort Collins-centric job and gig board to increase connectivity between employers and talent. Link to the board from other Fort Collins websites including the City, Chamber, Convention & Visitors Bureau, RMI, CSU Alumni Network, and CSU Career Center. Indeed.com provides a low-cost option for accomplishing this.	
				3: Talent Management	Encourage employers to post job and internship opportunities on the Fort Collins job and gig board.	
				3: Talent Management	Create opportunities for newcomers and job-seekers to network with local entrepreneurs and industry leaders.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				3: Talent Management	Provide educational opportunities and training workshops to support the 1099 workforce (independent contractors), which has emerged as a rapidly growing sector. Such opportunities and training should be targeted both to workers and the employers contracting with these workers.	
				3: Talent Management	Strengthen the innovation and entrepreneurial talent pipeline.	
				3: Talent Management	Engage the CSU Alumni Network as a key source of talent.	
				3: Talent Management	Partner with the CSU Alumni Association to communicate to alumni about the innovation-related events and opportunities in Fort Collins.	
				3: Talent Management	Make the Fort Collins job and gig board available to CSU Alumni.	
				3: Talent Management	Host alumni reception(s) at RMI with regional alumni groups to showcase what Fort Collins is doing.	
				3: Talent Management	Sponsor a CSU Alumni entrepreneurs network to build a strong connection between RMI and CSU Alumni entrepreneurs, even if they are not currently located in Fort Collins.	
				3: Talent Management	Reach out to successful entrepreneurs and executives who are CSU Alumni, and invite them to join RMI's initiatives.	
				3: Talent Management	Increase the involvement of CSU, in particular the Colleges of Business and Engineering, as sources of entrepreneurial talent.	
				3: Talent Management	Strengthen the existing entrepreneurship program in the College of Business, and extend its reach across campus.	
				3: Talent Management	Introduce intensive business formation courses and events to generate interest in and momentum for student-led entrepreneurial ventures.	
				3: Talent Management	Create a student internship program at RMI to prepare students for employment in start-up and young companies.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				3: Talent Management	Continue to explore ways of engaging faculty in technology commercialization and business formation through the revision of tenure policies to factor in such activities, by educating faculty about commercialization, and by fostering a more entrepreneurial culture in general.	
				3: Talent Management	Coordinate continuing education programs in partnership with RMI and the SBDC to provide a full range of education opportunities to University entrepreneurs.	
				3: Talent Management	Leverage the knowledge base of seasoned entrepreneurs in Fort Collins.	
				3: Talent Management	Continue to recruit volunteer advisors who are entrepreneurs to participate in RMI.	
				3: Talent Management	Create networking opportunities for new entrepreneurs to interact with seasoned entrepreneurs.	
				3: Talent Management	Host a speaker series that features seasoned entrepreneurs talking about lessons learned and topics of interest.	
				3: Talent Management	Use tourism and visitation as a talent and business outreach strategy to support industry cluster development.	
				3: Talent Management	Update the Convention and Visitors Bureau (CVB) website to also serve as portal for talent and businesses interested in relocating to Fort Collins.	
				3: Talent Management	For individuals looking to relocate to Fort Collins, include links to relocation information on the Chamber website and to job searching tools.	
				3: Talent Management	For entrepreneurs, include links to RMI and www.FortCollinsInnovation.com .	
				3: Talent Management	For businesses, include links to Economic Health Office and NCEDC.	
				3: Talent Management	Coordinate a conference strategy that would bring key talent and businesses to Fort Collins.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				3: Talent Management	Partner with industry cluster managers, the CVB and CSU Conference Services to identify conferences and events as well as groups of professionals and businesses that would help strengthen Fort Collins' industry clusters.	
				3: Talent Management	Recruit conferences to Fort Collins, or plan conferences or symposia that would appeal to targeted groups of professionals and businesses, and use these conferences as opportunities to showcase Fort Collins to these targeted audiences.	
				3: Talent Management	Organize industry-specific tours to increase private sector support for research in Fort Collins	
				3: Talent Management	Work with CSU research centers, industry cluster managers, and federal labs to identify potential industry partners.	
				3: Talent Management	Invite potential partners to Fort Collins to showcase how their research and development agendas can be advanced by the research capabilities of Fort Collins organizations and institutions.	
				3: Talent Management	Create a database of the potential partners in the CRM system and ensure that the relationships are tracked in the system.	
				3: Talent Management	Provide support to appropriate parties in following up with partners on a regular basis through phone calls, emails, and eNewsletters.	
				3: Talent Management	Downtown Hotel & Conference Center. Support the development of a blue-ribbon hotel and conference center in or adjacent to downtown.	
				4: Assets & Infrastructure	Focus on community improvement by encouraging the development of vibrant business districts, commercial nodes, and commercial corridors through the use of catalyst projects and an economic development toolbox.	
				4: Assets & Infrastructure	Identify specific areas to target for infill and redevelopment opportunities.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				4: Assets & Infrastructure	Hold workshops for each target area with land owners and developers to craft a common vision for the area, define desirable outcomes, and identify potential catalyst projects.	
				4: Assets & Infrastructure	Translate the vision into a viable blueprint that establishes a plan for achieving the vision.	
				4: Assets & Infrastructure	Continue to assess the City's regulatory framework to ensure it is supportive of desired development.	
				4: Assets & Infrastructure	Ensure that land use policies encourage high density uses and foster high-quality development.	
				4: Assets & Infrastructure	Develop specialized toolsets using special financing districts, overlay districts, and other mechanisms to encourage the implementation of the city's vision for each targeted area. (See Economic Health Toolbox on following page).	
				4: Assets & Infrastructure	Continue to participate in public-private partnerships that facilitate significant infrastructure improvements and quality redevelopment projects.	
				4: Assets & Infrastructure	Encourage the expansion or relocation of business in targeted development areas to stimulate commercial activity.	
				4: Assets & Infrastructure	Reach out to the developer and broker communities to communicate the City's vision for those areas and how the City can participate.	
				4: Assets & Infrastructure	Focus on strategic projects that inspire private sector response in the target areas.	
				4: Assets & Infrastructure	Identify anchor projects that can bring in the type of traffic and uses needed to catalyze development and realize the vision in the target area.	
				4: Assets & Infrastructure	Work with the Economic Health Stakeholder Group (See Implementation Section, Role #2) to prioritize list of catalyst projects.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				4: Assets & Infrastructure	Develop a work plan for the projects of highest priority that includes tasks, a timeline, resource needs, and expected outcomes.	
				4: Assets & Infrastructure	Create a financing plan that leverages available public sector sources with private sector funds.	
				4: Assets & Infrastructure	Manage the project from start to finish to ensure its implementation.	
				4: Assets & Infrastructure	Preserve and enhance the features of Fort Collins' culture and economy that make it unique.	
				4: Assets & Infrastructure	Continue to support and enhance Fort Collins' bike culture and cycling industry.	
				4: Assets & Infrastructure	Continue to support the development of Fort Collins as a destination for bicycle-oriented visitors through cultural events, sporting events, and tourism products.	
				4: Assets & Infrastructure	Leverage business opportunities that arise from Fort Collins' bike culture as a means of expanding the Uniquely Fort Collins industry cluster.	
				4: Assets & Infrastructure	Leverage the presence of the breweries in Fort Collins to grow the craft brewing industry and attract visitors.	
				4: Assets & Infrastructure	Support the creation of a craft brewing industry showcase that focuses on the business of brewing and builds Fort Collins reputation as a leader in the industry.	
				4: Assets & Infrastructure	Integrate water conservation efforts with the craft brewing industry.	
				4: Assets & Infrastructure	Reinforce Fort Collins' position as a regional center.	
				4: Assets & Infrastructure	Continue the refinement of a retail strategy to position Fort Collins as a regional retail center, and prioritize redevelopment opportunities for retail in targeted investment zones.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				4: Assets & Infrastructure	Include projects on the catalyst project list that add to the recreation and entertainment opportunities in Fort Collins that draw regional visitors.	
				4: Assets & Infrastructure	Be supportive of the regional healthcare providers and higher education institutions in Fort Collins in delivering high quality services.	
				4: Assets & Infrastructure	Ensure that companies in Fort Collins have options for expansion and relocation within the city limits.	
				4: Assets & Infrastructure	Conduct a needs assessment to determine types of space that will most likely be in demand.	
				4: Assets & Infrastructure	Collaborate with CSU, RMI, and the regional development community to understand what types of commercial and industrial space are available, what is currently in demand, and what the most promising companies are likely to need.	
				4: Assets & Infrastructure	Work with the industry cluster managers to identify typical space requirements needed to support industry clusters.	
				4: Assets & Infrastructure	Survey clients of RMI, the CSU-based Engines and Energy Conversion Lab (EECL), and the CSU-based Research Innovation Center (RIC) to understand what their future needs will likely be.	
				4: Assets & Infrastructure	Aggregate and present this information to the City Council, community leadership, and local land owners and developers to inform them of the likely short-term and long-term needs of Fort Collins' businesses.	
				4: Assets & Infrastructure	Work with the broker community to create and maintain an inventory of available space in Fort Collins that meets the above criteria.	
				4: Assets & Infrastructure	Partner with private property owners to market their available space to companies looking to expand or relocate in Fort Collins.	
				4: Assets & Infrastructure	Assist the brokers in identifying promising tenants within Fort Collins industry clusters.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				4: Assets & Infrastructure	Share information with prospects and business assistance clients on what sites are available.	
				4: Assets & Infrastructure	Update the list monthly.	
				4: Assets & Infrastructure	If available space is not adequate to meet long-term goals for business growth and economic diversification, evaluate feasibility of establishing a new technology park or parks in City's Growth Management Area (GMA).	
				4: Assets & Infrastructure	Potential sites for parks include an Innovation Park that would connect the EECL and RMI, the Prospect Technology Park on the 100 acres of university-owned land with I-25 frontage, and a site in the Mountain Vista area.	
				4: Assets & Infrastructure	Preserve potential sites as future employment centers through zoning and land-use policies and possibly land banking.	
				4: Assets & Infrastructure	Monitor the business and development climate to ensure Fort Collins' ability to nurture business.	
				4: Assets & Infrastructure	Support the predictability and transparency of the development and business assistance process.	
				4: Assets & Infrastructure	Develop a clear incentives policy that outlines the use of the City's economic health tool box.	
				4: Assets & Infrastructure	Work with representatives of the local business and development community to gather input on the development review process, and work closely with the City Council to continue to help make the development approval process as predictable and transparent as possible.	
				4: Assets & Infrastructure	Continue to benchmark the local permitting process against similar processes in neighboring communities.	
				4: Assets & Infrastructure	Continue to shepherd companies through the development process as needed.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				4: Assets & Infrastructure	Publicize the existing outline of the development process to brokers, developers, and the community-at-large, and enhance the outline where necessary.	
				4: Assets & Infrastructure	Encourage high quality development and redevelopment by addressing any issues through continuous improvement.	
				4: Assets & Infrastructure	Advocate for economic health interests in government policies and programs that impact the business climate.	
				4: Assets & Infrastructure	Create input mechanisms for the business community to provide continuous feedback on business climate issues.	
				4: Assets & Infrastructure	Communicate with elected officials on key issues.	
				4: Assets & Infrastructure	Seek opportunities to integrate economic health objectives into City policies and programs to improve the business climate.	
				4: Assets & Infrastructure	Create a culture of empowerment that adapts rapidly and cost efficiently in response to the changes in the business environment.	
				4: Assets & Infrastructure	Continue to foster arts and culture as an economic driver.	
				4: Assets & Infrastructure	Increase and improve opportunities for learning and expanding creative industries in Fort Collins.	
				4: Assets & Infrastructure	Encourage partnerships between educational, cultural, and business institutions that create opportunities.	
				4: Assets & Infrastructure	Expand opportunities for arts education programming and participation for youth and adults.	
				4: Assets & Infrastructure	Support the Arts Incubator of the Rockies as a means of strengthening creative enterprises.	
				4: Assets & Infrastructure	Promote visibility of the Arts and Culture.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				4: Assets & Infrastructure	Showcase the creative industries of Fort Collins through events such as Bohemian Nights and New West Fest.	
				4: Assets & Infrastructure	Provide opportunities for local artists to display their works in public spaces across the City.	
				4: Assets & Infrastructure	Seek opportunities for Fort Collins artists to reach national and even international audiences.	
				4: Assets & Infrastructure	Continue and support active arts and entertainment such as Streetmosphere and Beet Street.	
				4: Assets & Infrastructure	Leverage the Arts Incubator of the Rockies (AIR) to enhance the creative sector and foster a more creative business climate.	
				4: Assets & Infrastructure	Encourage AIR to develop a “Big Thinking” facility that provides free form space for collaborative interdisciplinary teams to meet and brainstorm.	
				4: Assets & Infrastructure	Assist AIR in developing a curriculum designed to encourage non-creative industry to leverage the benefits of the creative thought process.	
				4: Assets & Infrastructure	Expand the role of Art in Public Places.	
				4: Assets & Infrastructure	Encourage the use of art as a way-finding tool.	
				4: Assets & Infrastructure	Develop a mechanism for making the program available as a service to private development.	
				4: Assets & Infrastructure	Improve the delivery of high quality early childhood education and other services to support working families.	
				4: Assets & Infrastructure	Work with the Fort Collins small business support network to tailor programs for childcare providers.	

Quarter	Year	Lead	Staff	Objective	Strategy / Action	Status
				4: Assets & Infrastructure	Partner with the appropriate agencies, and prepare information in the form of a planning guide to educate interested parties on how to start a child care facility, applicable regulatory requirements, funding opportunities, and links to other child care resources.	
				4: Assets & Infrastructure	Introduce training programs and technical support services specifically for childcare providers and family child care homes.	
				4: Assets & Infrastructure	§ Incentivize inclusion of childcare facilities in affordable housing, transit-oriented developments, and employment centers.	
				4: Assets & Infrastructure	Make funding available to support childcare-oriented businesses.	
				4: Assets & Infrastructure	Consider childcare businesses as allowable applicant for Section 108 Loan Program.	
				4: Assets & Infrastructure	Allow funds in TIF districts to be used for the development of childcare facilities.	
				4: Assets & Infrastructure	Pursue state and federal funding sources such as the Community Development Block Grant (CDBG) to provide capital and leverage private investment to support the expansion and development of childcare facilities.	
				4: Assets & Infrastructure	Support a needs assessment and gap analysis to identify missing support services in the community.	
				4: Assets & Infrastructure	Conduct a needs assessment to better understand the challenges faced by Fort Collins' working families.	
				4: Assets & Infrastructure	Identify any gaps in the social safety net, including access to affordable housing, training, health insurance, and transportation.	
				4: Assets & Infrastructure	Develop strategic initiatives and programs to fill these gaps.	

Performance Measures

As part of the implementation plan, TIP worked with City staff to identify performance measures. These measures are divided into community level metrics, strategy measures, and business plan measures. The performance measures are listed below.

1. Community: Evaluating the economic health of the city

Objective / Theme	Metric
Creating more and better economic opportunity	
Job Growth	# of Jobs in the Fort Collins MSA, net jobs lost / gained & percent change year over year,
Wage Growth	Average annual salary
Underemployment	Educational attainment versus job training requirements
Diversify the tax base	
Growth of commercial tax base	Assessed Value by Type
Retail sales dependency	Percentage of non-utility income from retail sales taxes
Private industry's share of jobs	Jobs by Industry

2. Strategic: Evaluating the strategies used to affect economic health

Objective / Theme	Metric
Innovation & Entrepreneurship	
Technology commercialization	Technologies Licensed
New business formation	# of New Establishments
Capital access	# and \$ value of VC deals
Wealth creation	\$ created by successful exits
Business Retention and Expansion	
Companies assisted & retained	# of companies assisted
Jobs created	Employment of companies assisted
Average wages of jobs created	Average hourly wage
Dollars invested	Investment by companies assisted
Companies lost	# of companies who re-located somewhere else, particularly those who were involved with innovation programs
Talent Management	
Employers' perception of ease of recruitment	Employer survey
Entrepreneur pipeline	Innovation resources
Civic engagement	Community survey
Talent placement	Employer survey
Community Assets & Quality of Place	
Investment in redevelopment areas	\$ investment
Residential units in redevelopment areas	# of Units
Commercial and industrial development in redevelopment areas	Square Feet of Development by Property Type
Leverage of city's investment	\$ of private investment per \$ of city investment

3. Business Plan: Evaluating the Outcomes of Our BFO Offers

Objective / Theme	Metric
Contracts with Service Providers	
Leverage of City's Investment	\$ of other funding per \$ of city funding
Jobs Created	# of Jobs Created by Companies Assisted by Service Providers
Average Wages of those Jobs	Average Annual Salary
Challenge Grants for Industry Clusters	
Leverage of City's Investment	\$ of other funding per \$ of city funding
Growth in Industry Clusters	
Jobs	# of Jobs in Industry Cluster
Establishments	# of Establishments in Industry Cluster
Patents	# of Patents Issued by Companies in Industry Cluster
Venture Capital Investment	\$ Invested in Industry Cluster Companies
Business Assistance Using Economic Development Toolbox	
Private Investment in Deals Assisted by the City	\$ of Private Investment in Companies Assisted by EHO
Jobs Created	# of Jobs Created by Companies Assisted by EHO
Average Wages of those Jobs	Average Annual Salary
Tax Base Implications	Economic Impact (Jobs & Earnings)
Development Assistance	
Private Investment in Deals Assisted by the City	\$ of Private Investment in Projects Assisted by EHO
Square Feet of Development	Square Feet of New Development by Type (Retail, Commercial, Industrial)
Housing Units	# of Housing Units by Type (multifamily, single family, market rate, affordable)
Tax Base Implications	Estimate Assessed Value
Communications (Outcomes)	
Awareness Outcomes from Community Survey	

APPENDIX A: ASSESSMENT

To provide a common framework for our recommendations, TIP began by compiling demographic and economic data on Fort Collins and the Front Range. This analysis focused on Fort Collins and Larimer County in the context of the state of Colorado and the nation where appropriate. The purpose is to understand the city's relative economic position and highlight its competitive advantages and disadvantages.

About the data

We based our findings on the following elements:

- A review of relevant studies, plans, and other material provided by the City of Fort Collins;
- A review of economic and demographic data from primary and secondary sources, including the US Census Bureau, the Internal Revenue Service, the US Bureau of Labor Statistics, and Economic Modeling Specialists Inc. (EMSI).
- The data and analysis is organized within five categories: demographics, migration and mobility, income and housing, economy, and workforce.



Summary of Data Findings

Note: the Fort Collins Metropolitan Statistical Area (MSA) consists of Larimer County. Metropolitan statistical areas are geographic entities defined by the Office of Management and Budget for use by Federal statistical agencies in collecting, tabulating, and publishing Federal statistics. Each metro area consists of one or more counties that have a high degree of social and economic integration (as measured by commuting to work) with the urban core.

DEMOGRAPHICS

- **Larimer County's population is becoming increasingly urbanized.** Fort Collins and the other incorporated areas of Larimer County have been growing at a rapid pace over the last 10 years. Population in unincorporated areas has been flat. On the other hand, Fort Collins is growing more slowly than Loveland, Windsor, and Wellington and this trend is expected to continue.
- **The aging of the population** is a demographic challenging facing the nation. While the Fort Collins MSA is expected to follow this trend, **the impact will be far less dramatic** compared to the rest of the nation.

MIGRATION & MOBILITY

- **Domestic migration accounts for most of the growth in Fort Collins.** The largest number of residents that move to the Fort Collins MSA are from Boulder County, and Weld County receives the largest number of outbound migrants from the MSA. Though the in-migration of residents to the Fort Collins MSA slowed from 2003 to 2005, it has since recovered and remained stable over the last 4 years.
- **Since 1998, net immigration (international) varied between 400 and 600.** From 1990 to 1998, on the other hand, the number of foreign nationals migrating to the Fort Collins MSA ranged between 1,200 and 1,600.
- **The daily commuter flow reveals that the City of Fort Collins is a net importer of labor.** Inbound commuters come from Windsor, Loveland, Wellington, and Laporte while outbound commuters go to Denver, Boulder, Westminster, and Longmont. Education Services, Healthcare, and Professional Services are the three sectors that draw commuters into Fort Collins. Construction, Wholesale Trade, and Transportation are the three sectors that draw the most commuters out of Fort Collins.

INCOME & HOUSING

- Income and housing in Fort Collins follows the trends expected for a college town. The **median household income is lower than the state** as well as Larimer County but is comparable to the national average. In addition, the average household size is smaller.
- Of note is that the housing market is tight. Fort Collins has a vacancy rate of only 6% and the median home value is almost \$250,000, which is more than 30% higher than the national average. As a result, Fort Collins and Larimer County are less affordable than both the state and the nation.

ECONOMY

- Fort Collins' unemployment is currently higher than the county as a whole, but significantly lower than the state and national unemployment rates. **Since 2008, the city's unemployment rolls have doubled and remain elevated.**
- The primary source of revenue for the city is sales and use tax. **The receipts from sales and use tax outweigh property tax receipts 4 to 1.** However, the sales and use tax base per-resident has been relatively stable over the past 10 years. Meanwhile, **the property tax base, on a per-resident basis, has increased 60% over the past 10 years.**
- The government sector, which includes public education, is the largest employment sector in the Fort Collins MSA. The retail trade and healthcare sectors are the next largest sectors. **Since 2003, the healthcare, professional services, and finance sectors have been the most rapidly growing.**
- In terms of relative concentration of employment versus the nation, Fort Collins' strongest sectors are in manufacturing – breweries, engine equipment, and analytical laboratory instruments.

WORKFORCE

- Although the Fort Collins MSA's workforce is highly educated, **the available jobs do not necessarily meet the skill level of the residents.** Forty-one percent of the population in the MSA has earned a bachelor degree or higher. However, 65% of the jobs in the MSA require only on-the-job training or previous experience; only 25% of the jobs require a 4-year degree or higher. The education requirements of jobs in the MSA match better with the non-Fort Collins residents of Larimer County. Of these residents who are 25 and older, only 35% have earned a bachelor degree or higher.
- The largest occupation groups are sales, office and administrative support, and management. Business and financial operations, healthcare, and management are the fastest growing occupational groups.

SWOT

TIP conducted an economic development SWOT analysis (strengths, weaknesses, opportunities, and threats) for the City of Fort Collins, based on a review of economic, demographic, and workforce characteristics, interviews with local and regional business and community leaders, and our experience working with communities and regions across the country.

The graphic illustrates the results of the analysis conducted as part of the assessment.

The size of the bubble is intended to convey the consulting team's view of the relative importance of the topic, and in some cases, the likelihood of impact in the region.

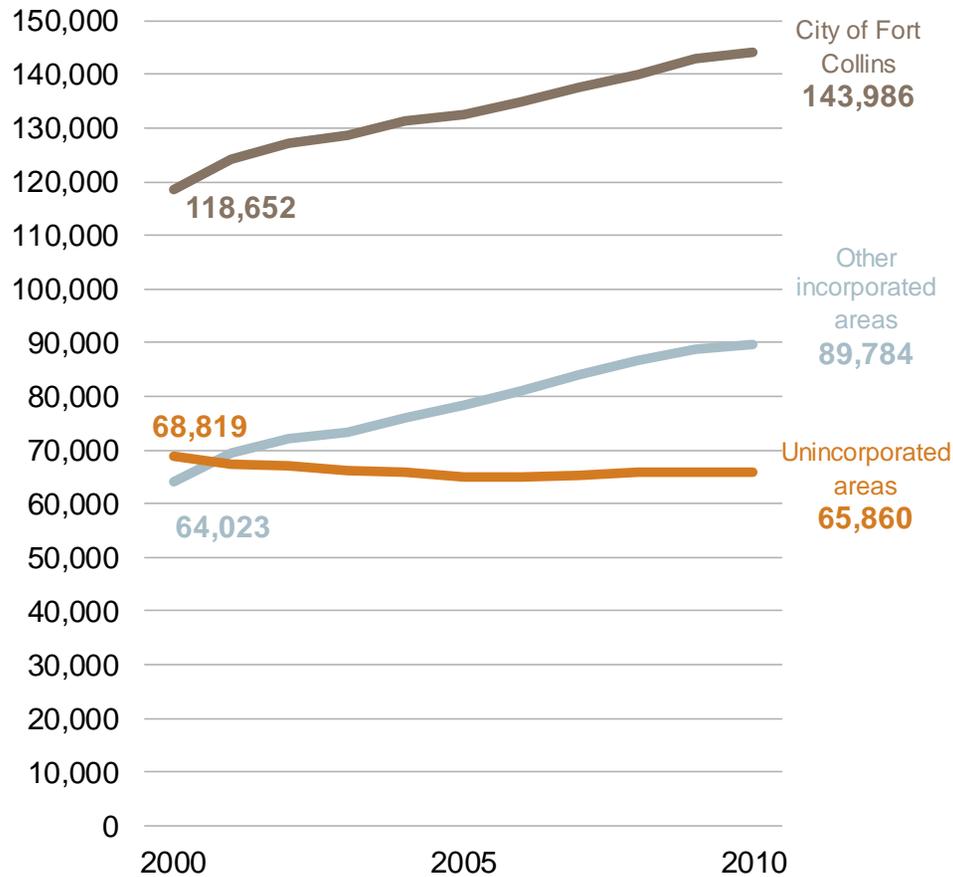
Items closer to the center of the graph tend to be more local in nature. Those at the outer corners are influenced by state, national, or global trends, placing them to some degree outside of local or regional control.



DEMOGRAPHICS

FIGURE 1: LARIMER COUNTY'S POPULATION OUTLOOK

A Decade Of Change



Source: Colorado Division of Local Government, Colorado State Data Center.

The population of Fort Collins pushed close to 144,000 residents in the 2010 Census.

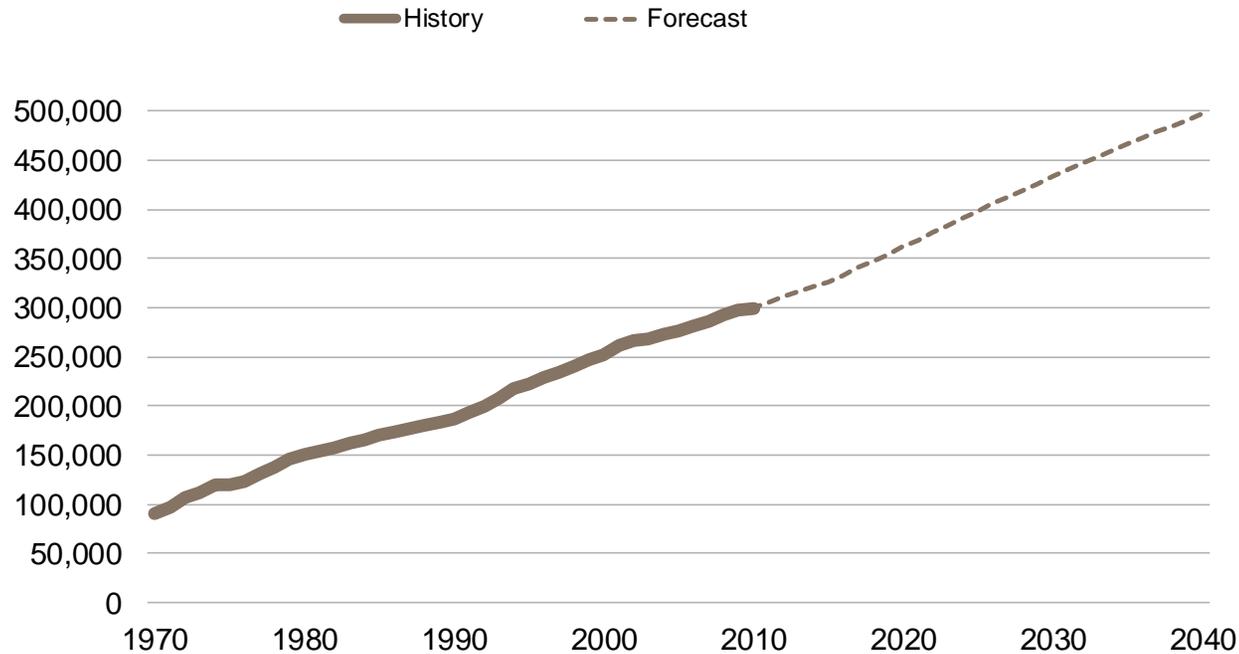
The Fort Collins MSA added about 48,000 new residents over the decade. Half of these were added in the City of Fort Collins with the remainder mostly in other incorporated areas of the county.

The unincorporated areas of the county held relatively steady in population during the decade.

DEMOGRAPHICS

FIGURE 2: LARIMER COUNTY'S POPULATION OUTLOOK

No changes Expected in recent growth pattern



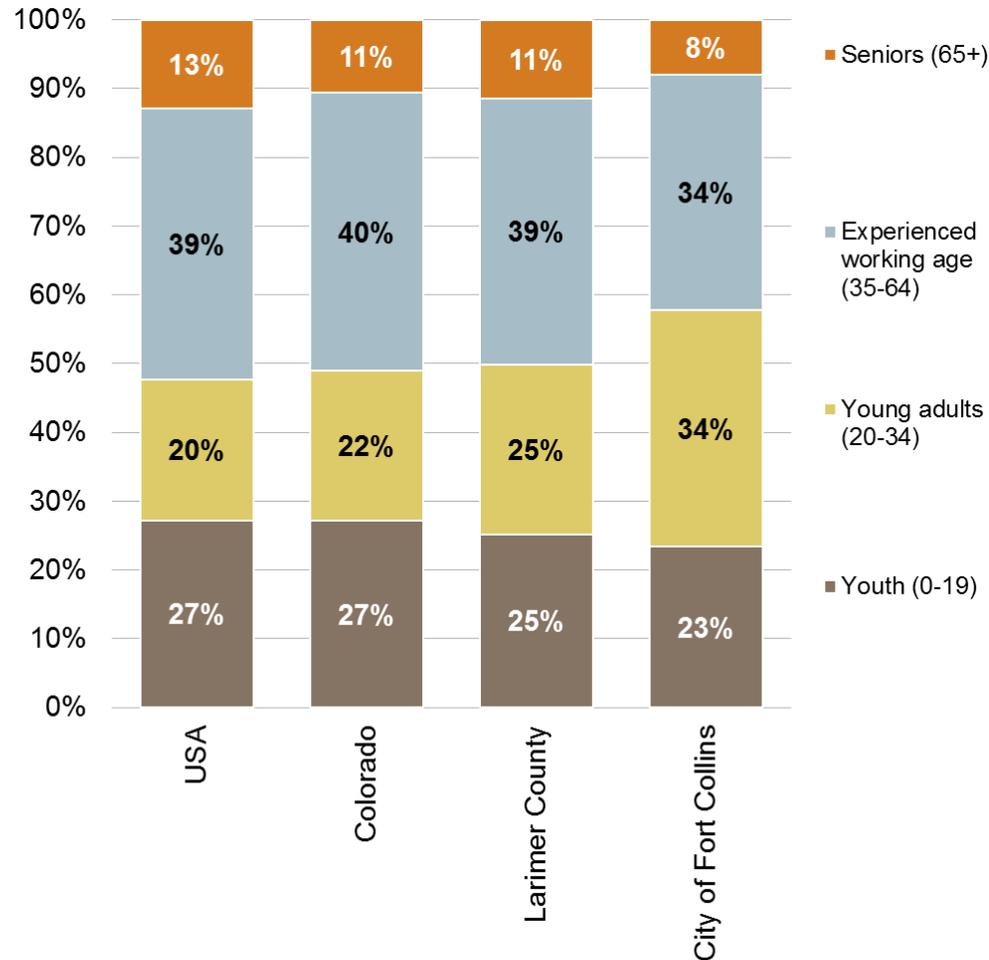
Source: Moody's Analytics; U.S. Census Bureau (1970-1999); Colorado Division of Local Government, Colorado State Data Center (2000-2040).

The Colorado State Data Center's most recent population forecast shows the Fort Collins MSA on track to reach 500,000 in 30 years. As of the 2010 Census, the MSA population was approaching 300,000, growing almost 19% since the 2000 census.

The Colorado State Data Center's forecast represents a net increase of about 200,000 residents over the next 3 decades, a 66% increase.

DEMOGRAPHICS

FIGURE 3: COMPARATIVE POPULATION DISTRIBUTION BY AGE



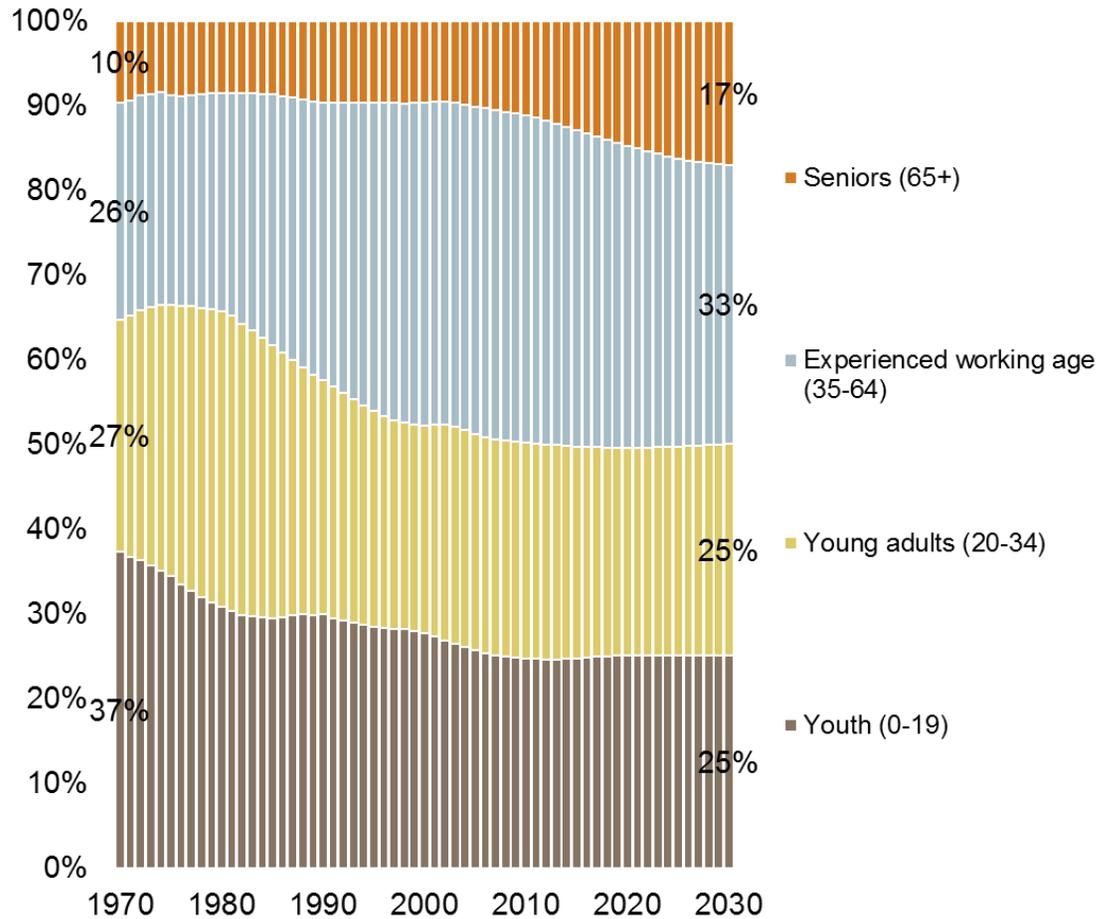
The demographic characteristics of college towns always deviate from the national average and Fort Collins is no different in this respect. About 34% of the city's residents are in their 20s or early 30s. Across the US, this age cohort is only 20% of the population.

The bulge of 20-34 year-olds in Fort Collins means that other age cohorts are less represented in relative terms, including seniors, children, and older adults of working age.

Source: U.S. Census Bureau (American Community Survey, 2009).

DEMOGRAPHICS

FIGURE 4: LARIMER COUNTY POPULATION DISTRIBUTION BY AGE



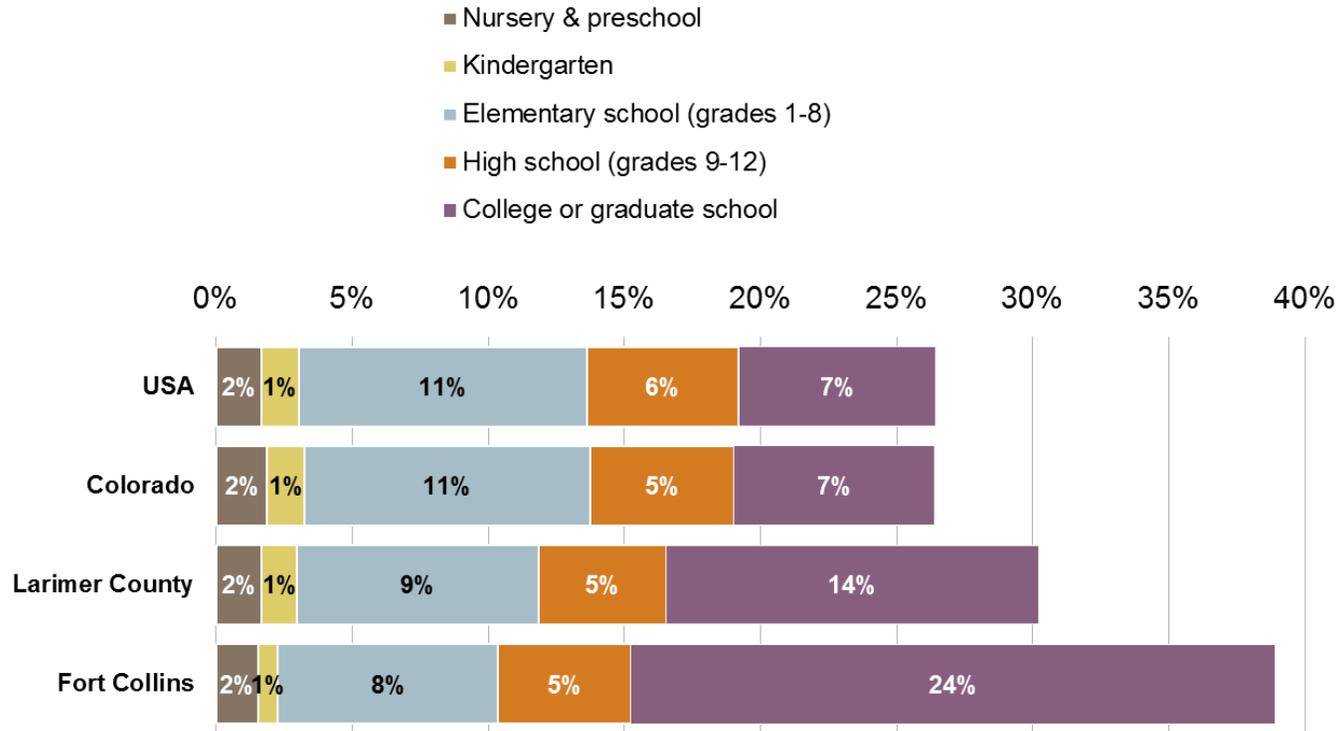
Source: US Census Bureau; Moody's Analytics.

Nationwide, the age composition of the country is changing rapidly as the first baby boomers are just now beginning to retire. Over the next two decades the ranks of seniors will grow enormously.

This pattern is expected to occur in the Fort Collins MSA as well, but the overall trend is minor compared to the rest of the country. The ranks of seniors will increase, but these changes in demographic composition will not be noticed as much here as in the rest of the country.

DEMOGRAPHICS

FIGURE 5: CURRENT ENROLLMENT STATUS OF THE POPULATION



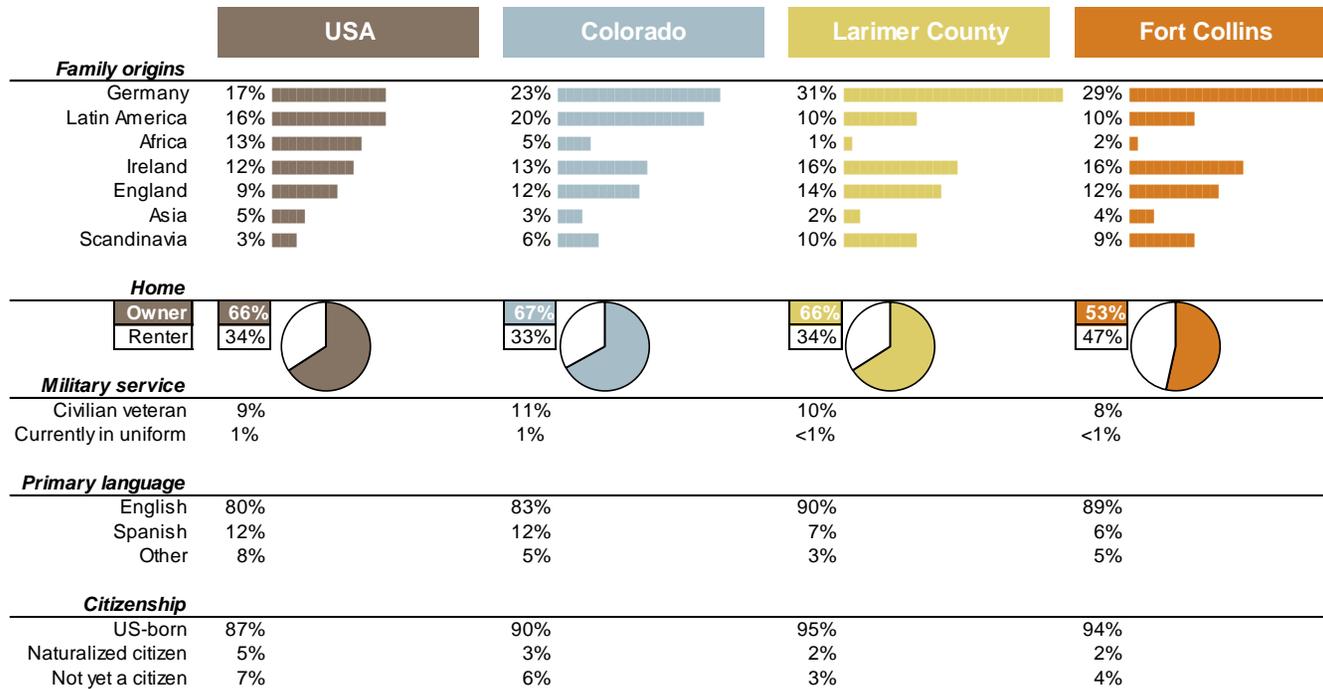
Source: U.S. Census Bureau (American Community Survey, 2005-2009 average)

Nationwide, about 26% of the population is enrolled in an educational program at some level -- anything from pre-school to graduate school. Colorado looks a lot like the national average, but in Fort Collins the presence of Colorado State skews the enrollment rate for the city's population as well as the MSA. Nearly 4 of every 10 residents in the City of Fort Collins is enrolled in an educational program of some kind.

DEMOGRAPHICS

FIGURE 6: DEMOGRAPHIC COMPARISON

Ancestry, homeownership, military service, language, & citizenship



A large base of rental housing is needed to accommodate student populations. In the City of Fort Collins, about 47% of occupied housing units are rentals. This trend, however, doesn't translate to the rest of the MSA. Larimer County itself has an overall homeownership rate that looks more like the state and US averages.

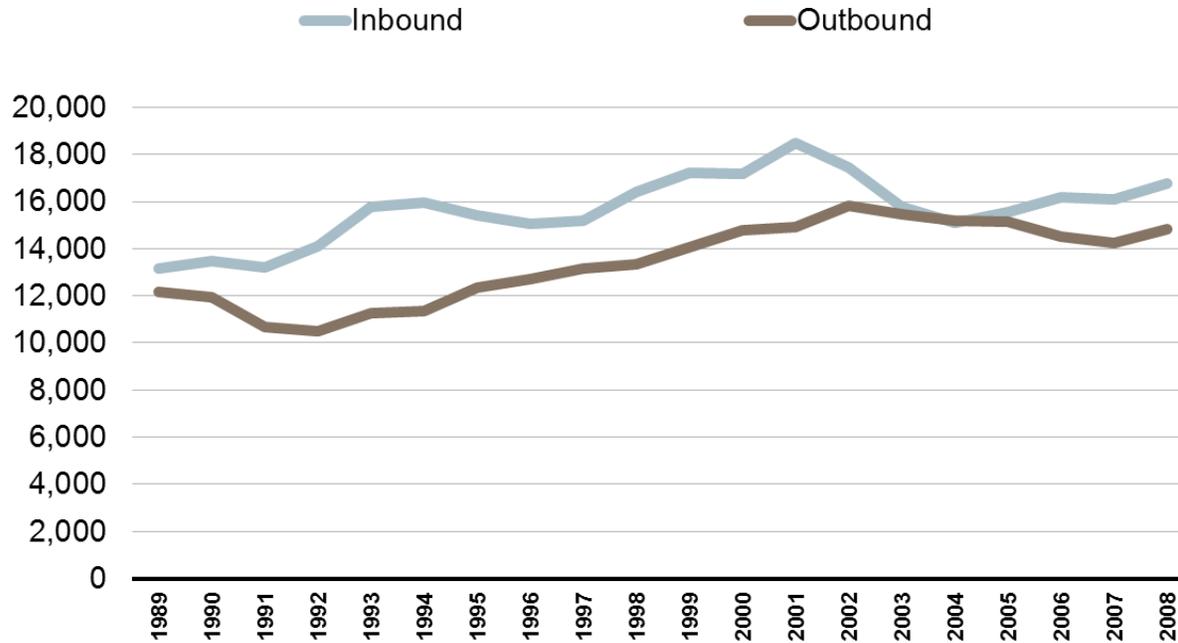
Note: "Family origins" is calculated from Census tabulations across multiple categories, including ancestry, race, & ethnicity; "Military service" is calculated on the population age 18 or older.

Source: U.S. Census Bureau (American Community Survey, 2005-2009 average).

MIGRATION & MOBILITY

FIGURE 7: LARIMER COUNTY MIGRATION PATTERNS

Gross numbers of inbound and outbound movers since 1989



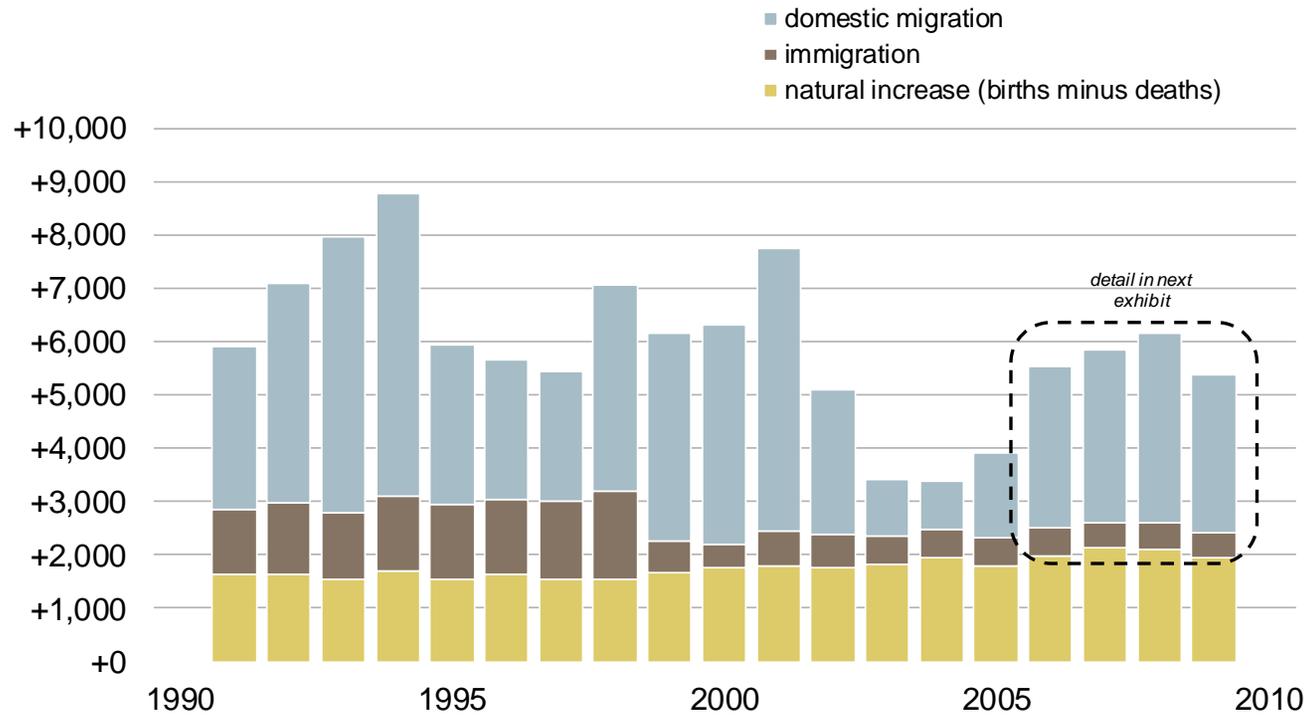
Source: US Internal Revenue Service, county-to-county migration flows; Moodys Analytics.

The IRS provides county-level tabulations of exemptions for annual tax return filings. When the home address of a tax return filer crosses a county line from one year to the next, the aggregated IRS files capture this as an inbound or an outbound move for a given county.

These records show that inbound moves into the Fort Collins MSA grew from about 13,000 in 1989 to 18,000 in 2001. Inbound migration peaked during the tech boom, and then aligned more closely with outbound migration. Recent IRS data show that net migration into the county is still positive, but the margin hasn't regained its 1990s-era levels.

MIGRATION & MOBILITY

FIGURE 8: COMPONENTS OF GROWTH IN FORT COLLINS MSA



Source: U.S. Bureau of the Census; Moody's Analytics.

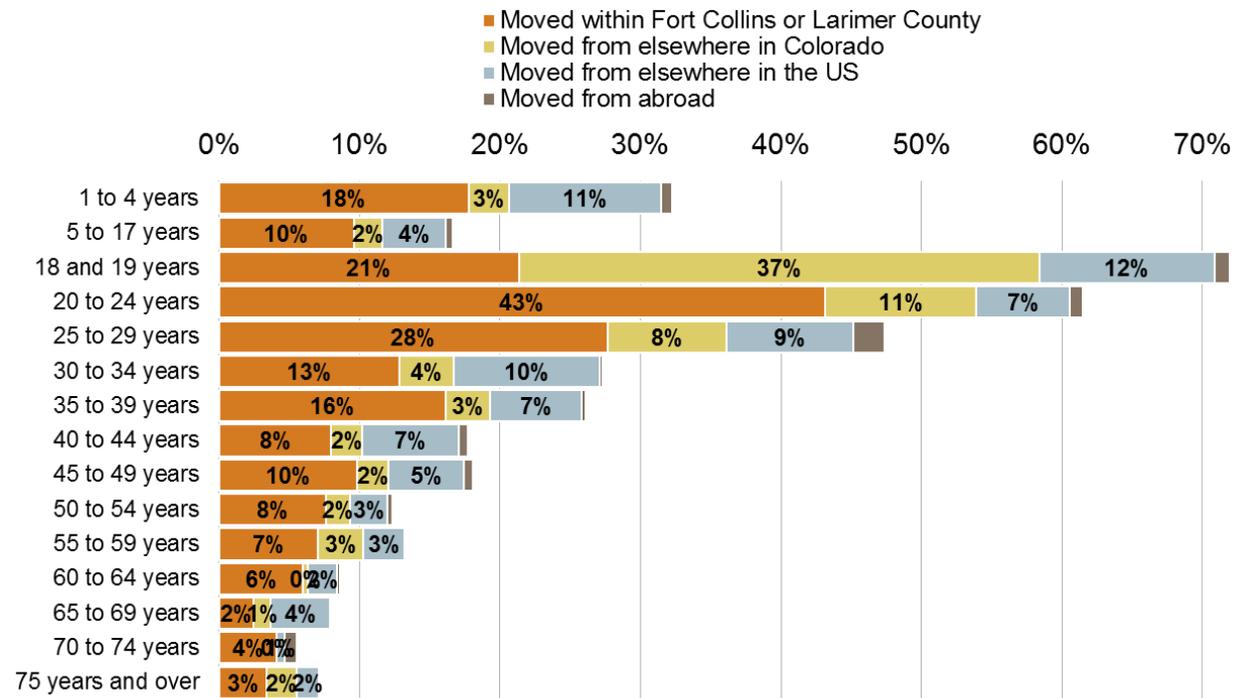
Natural increase and immigration have proven stable, steady contributors to the MSA's population growth, but the more volatile component of net domestic in-migration tends to be the biggest driver of population growth in most years.

The Census Bureau's annual estimates of net domestic in-migration align closely with the trends seen in IRS records. A dip in net migration occurred after the tech boom of the 1990s, and the MSA has only recently begun to resume more typical growth patterns.

MIGRATION & MOBILITY

FIGURE 9: MOBILITY RATES IN THE CITY OF FORT COLLINS BY AGE, 2006-2009 AVERAGES

% of Fort Collins population that moved during an average year in each age cohort



Source: U.S. Census Bureau (American Community Surveys, 2006, 2007, 2008, & 2009).

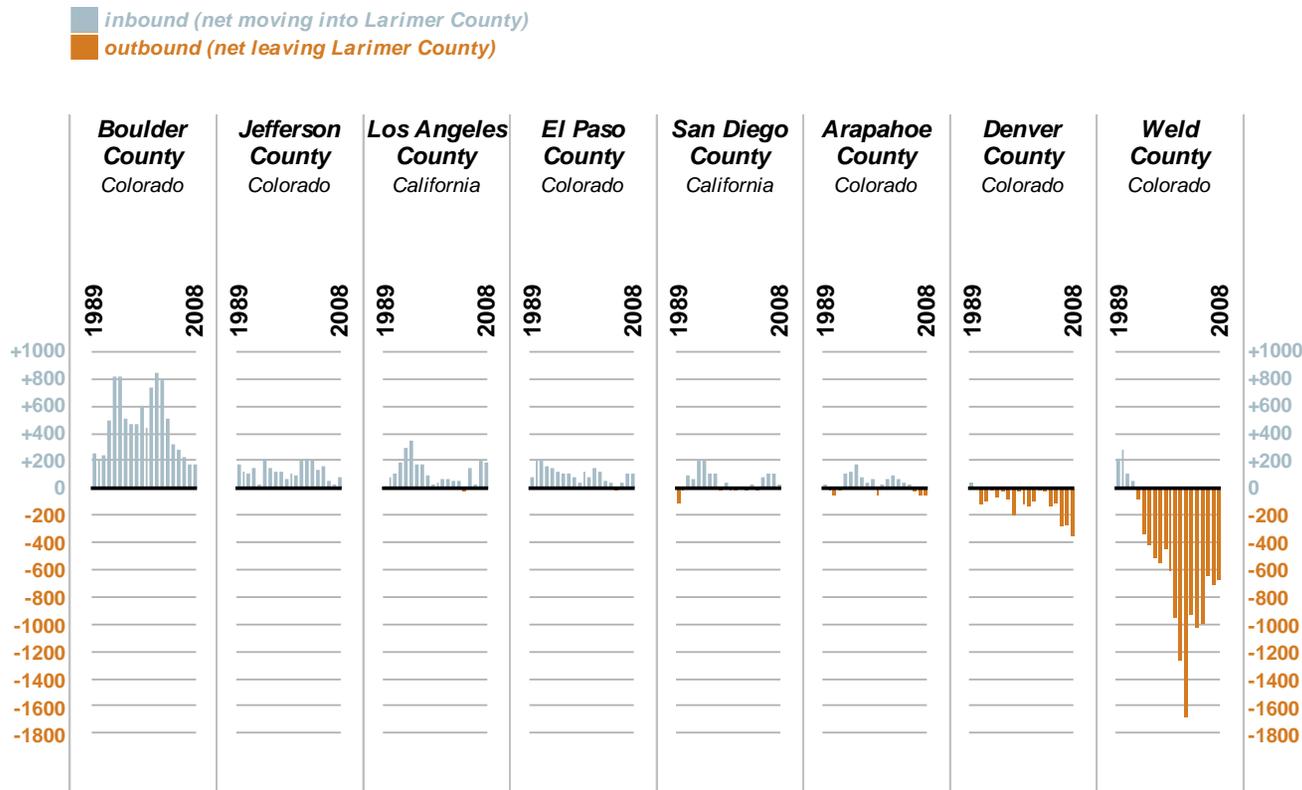
TIP analyzed city-level data from the American Community Survey for the four years from 2006-2009. This analysis documents mobility patterns by age, but it yields few surprises. In-migration into the city is heaviest among 18-19 year-olds transitioning from high school to college. Mobility is very high among those in their 20s.

The analysis also shows that as adults in the City of Fort Collins grow older, their annual mobility rates generally decline. Young families with children are likely to scramble to new nests before their kids start kindergarten, but the mobility rate among school-age children then drops by half.

MIGRATION & MOBILITY

FIGURE 10: COUNTIES WITH HISTORICALLY HIGH MIGRATION PATTERNS WITH LARIMER COUNTY

Annual net migration into (out of) Larimer County from the selected counties



Looking back once more at IRS tabulations, we are able to answer some basic "where" questions about mobility.

Larimer County nets most of its new residents from Boulder County and picks up a relatively steady trickle of in-migrants from urban Southern California counties.

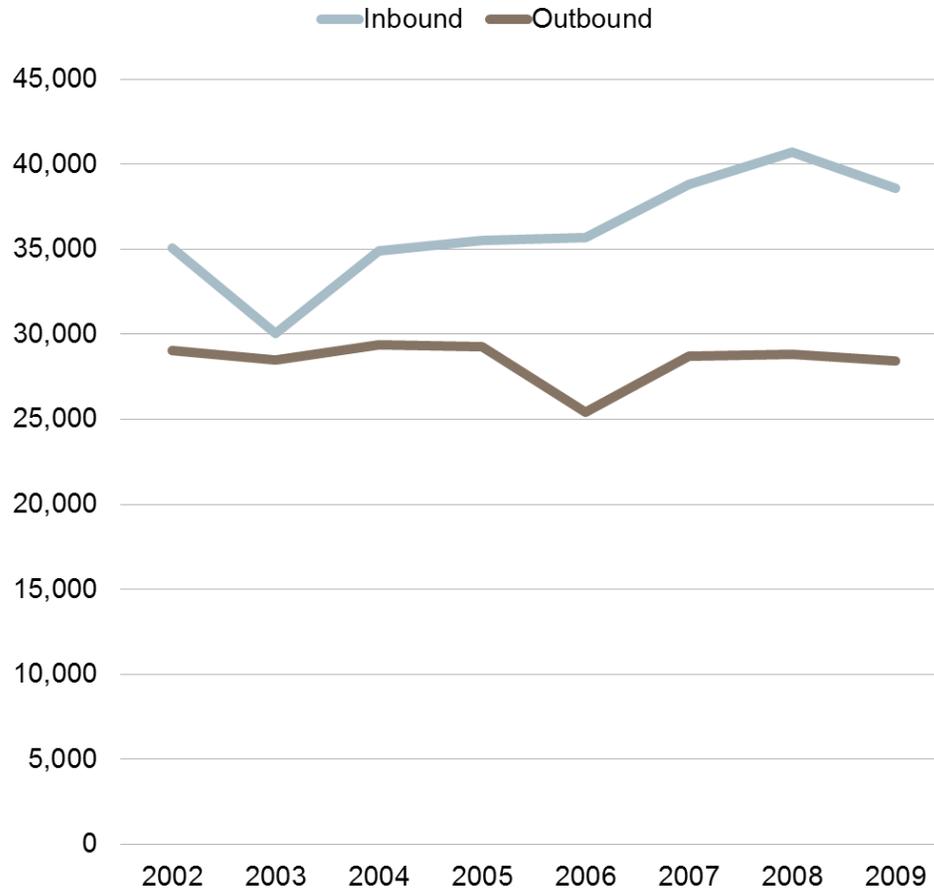
Larimer loses more residents on a net basis to Weld County than anywhere else. Denver County is a distant second, but it too has recently been peeling away as many as 200-300 Larimer residents a year on a net basis. exceeds the number of jobs in the city by more than 2,000.

Source : US Internal Revenue Service, county-to-county migration flows; Moodys Analytics.

MIGRATION & MOBILITY

FIGURE 11: NET DAILY COMMUTER FLOW TO AND FROM CITY OF FORT COLLINS

Four inbound commuters to city for every three who commute out



Net inbound commuting into the City of Fort Collins narrowed during the recession that followed the tech boom (about 2003), but inbound commuting growth has since resumed.

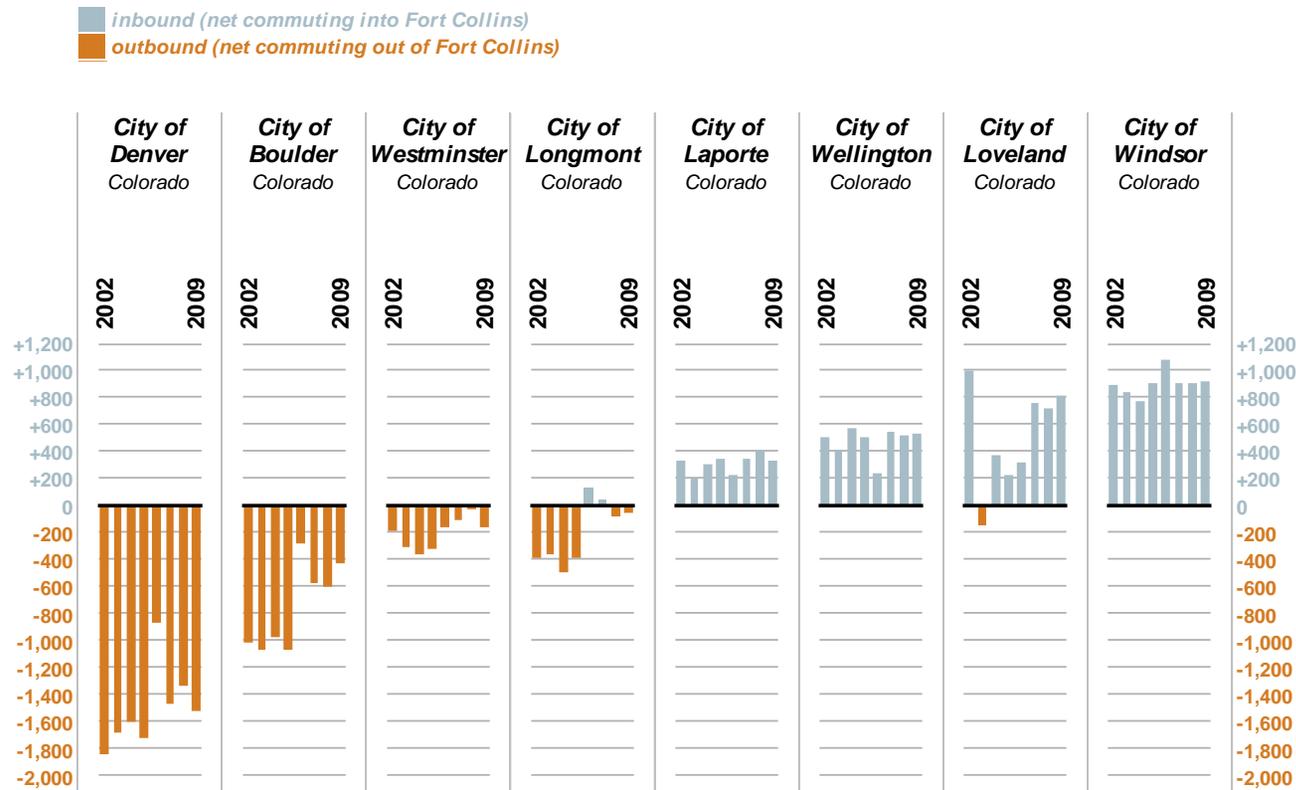
The city nets about 10,000 inbound commuters. What these means in real terms is that the city's job base exceeds the number of employed residents by about 10,000.

Source: US Internal Revenue Service, county-to-county migration flows; Moodys Analytics.

MIGRATION & MOBILITY

FIGURE 12: NET DAILY COMMUTER FLOW BETWEEN CITY OF FORT COLLINS AND OTHER CITIES

Net outbound flows from Fort Collins to cities further south; most net inbound traffic is local



Source: U.S. Bureau of the Census, Local Employment Dynamics (LED) database, 2002-2009.

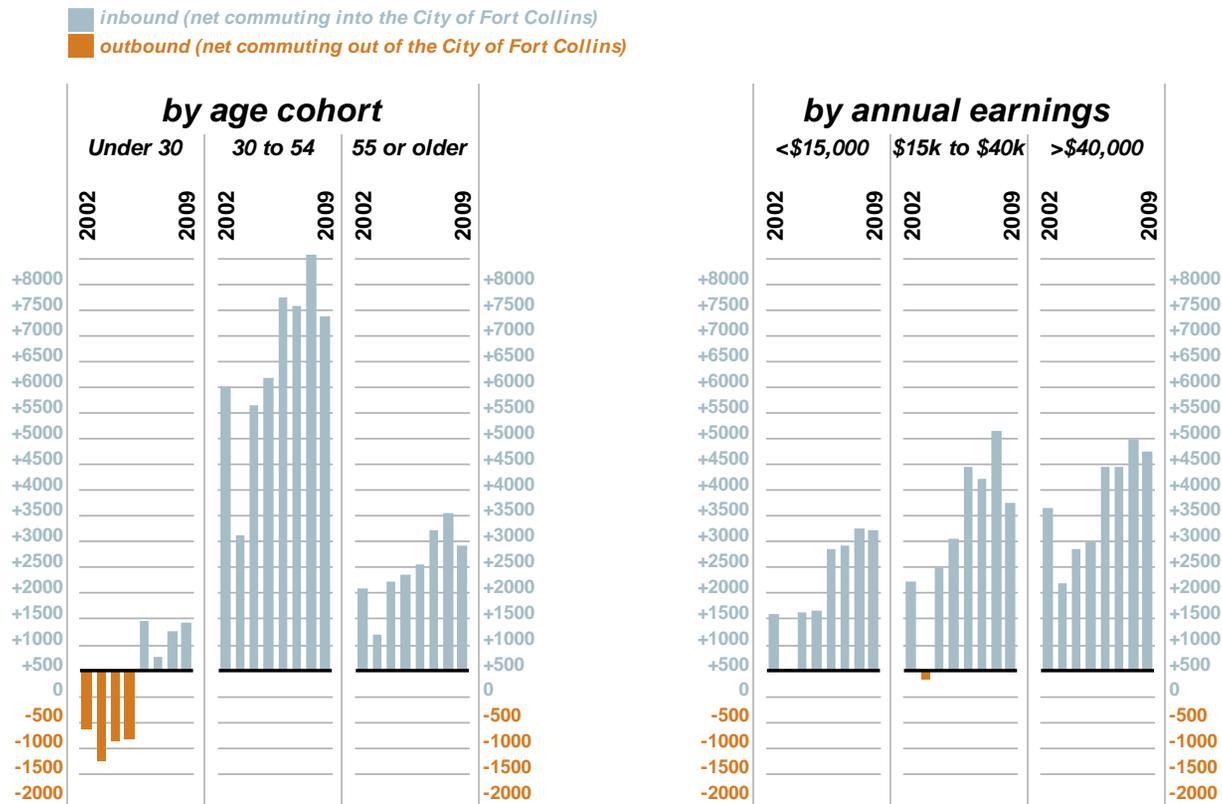
Commuters who reside in the City of Fort Collins but work elsewhere are most likely headed to work in Denver, Boulder, or other cities to the south.

Fort Collins pulls in its inbound commuters mostly from surrounding cities within the MSA.

MIGRATION & MOBILITY

FIGURE 13: FORT COLLINS COMMUTING PATTERNS BY SOCIODEMOGRAPHIC CHARACTERISTICS

Variation by age, but less variation by earnings



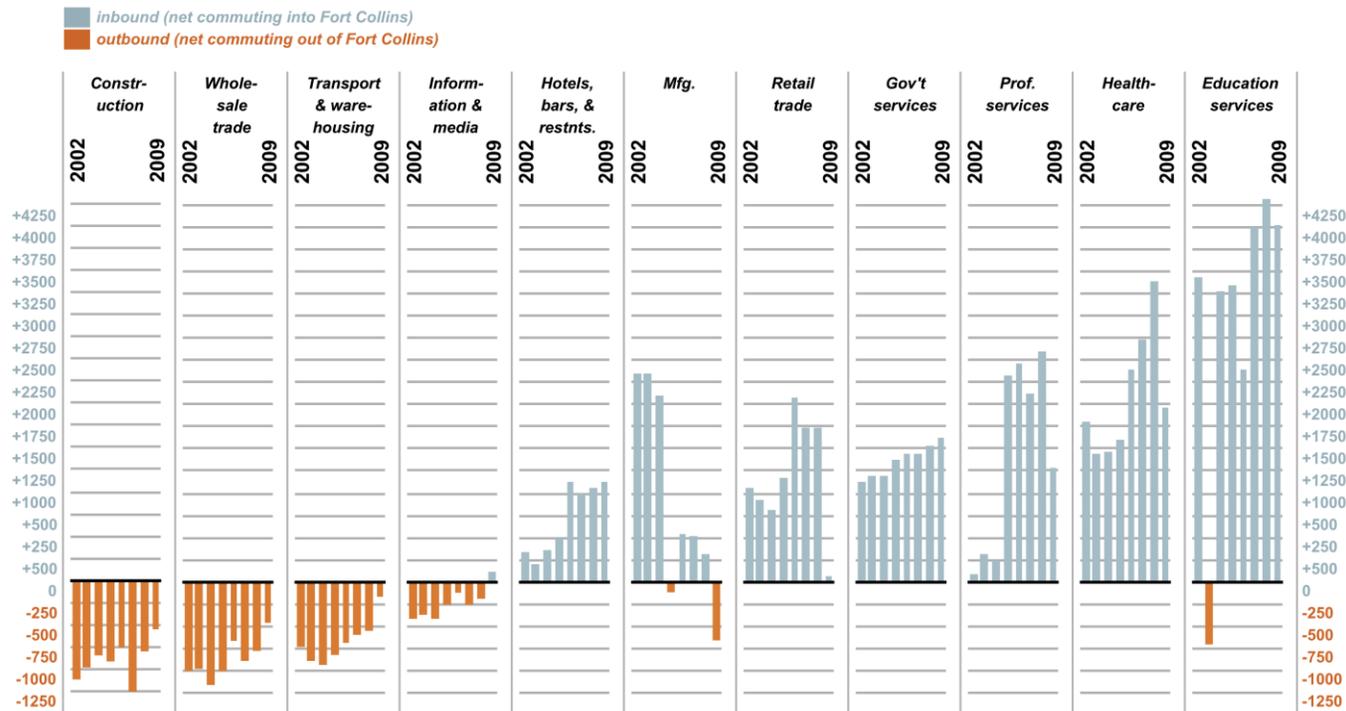
Source: U.S. Bureau of the Census, Local Employment Dynamics (LED) database, 2002-2009.

Commuting patterns by earnings show surprisingly little variation in pattern over the past several years.

Commuting patterns by age, however, show one key trend: the recession following the tech boom appears to have impacted younger workers more than others. Those under the age of 30 were more likely to commute out of the city for work in the first half of the decade. This trend has since reversed; since 2006, the city has pulled in more workers under the age of 30 than it has lost. Still, this net margin is slim compared to other age groups.

MIGRATION & MOBILITY

FIGURE 14: NET DAILY COMMUTER FLOW TO/FROM CITY OF FORT COLLINS BY ECONOMIC SECTOR



Source: U.S. Bureau of the Census, Local Employment Dynamics (LED) database, 2002-2009.

City residents who work in construction, wholesale trade, transportation/warehousing, and information/media sectors are more likely to leave the city limits for work than those who work in other sectors of the economy.

The city's education, healthcare, and professional services sectors draw considerable inbound traffic, as does the government sector. The city's manufacturing sector once attracted heavy inbound commuting, but as recently as 2009, this inbound flow had reversed.

INCOME & HOUSING

FIGURE 15:HOUSEHOLD SNAPSHOTS

Top 3 household segments in Fort Collins

	#1 COLLEGE TOWNS	#2 UP AND COMING FAMILIES	#3 METROPOLITANS
Demographic	With a median age of 24.4 years, College Towns is the third youngest of all the Tapestry segments. Most residents are aged between 18 and 34 years and live in single-person or shared households. One-fourth of households are occupied by married-couple families. The race profile of this market is somewhat similar to the US profile. Approximately three-fourths of the residents are white.	Up and Coming Families represents Tapestry Segmentation's second highest household growth market. Residents of these neighborhoods are young, affluent families with younger children. Most of the residents are white; however, diversity is increasing as the segment grows.	Residents of Metropolitans communities prefer to live in older city neighborhoods. Approximately half of these households are singles who live alone or with others; 40 percent are married-couple families. One in four of the residents is aged 20–34 years. Diversity is low; most of the population is white.
Socioeconomic	College Town residents are focused on education. Many residents are enrolled in the university and others stay in the community to teach or do research. Because many students only work part-time, the median household income is low. Most of the employed residents work in the service industry, holding on- and off-campus jobs in educational services, health care, and food preparation. In addition, the median net worth is very low.	Residents of Up and Coming Families are earning above-average incomes. The median household income is \$76,135, higher than the national median. The median net worth is \$175,142. Residents of this segment are highly educated. Labor force participation is high and unemployment is low.	The labor force participation rate is well above average. Half of the residents who are employed work in professional or managerial positions and they are highly educated. The median household income is \$60,191; the median net worth is \$102,460.
Residential	Students in off-campus housing live in low-income apartment rentals. Most of the owner-occupied dwellings are single family. The median home value is \$137,707. One-third of the housing is single-family structures.	Most residents live in new single-family housing; more than half the housing units were built in the last 10 years. Home ownership is at 83 percent. The median home value is \$175,637.	Residents of Metropolitans neighborhoods live in an eclectic mix of single-family homes and multiunit buildings. Sixty percent of the housing units were built before 1960. The home ownership rate is 60 percent, and the median home value is \$192,372.

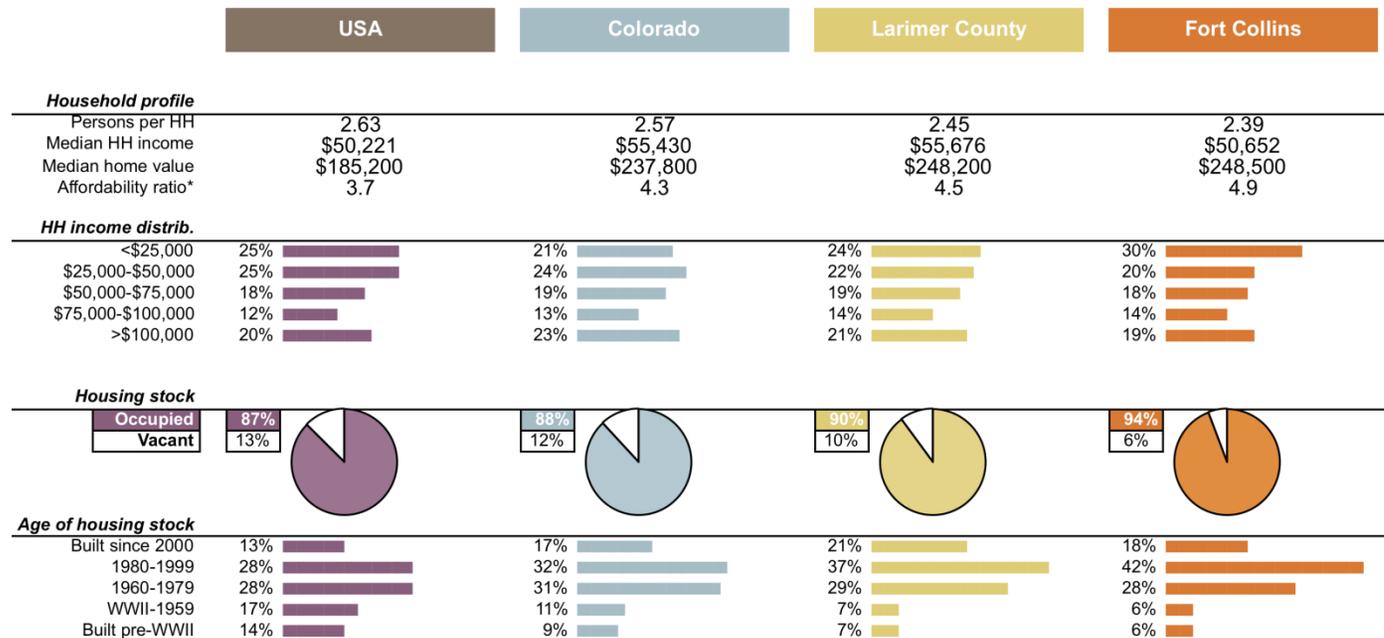
	#1 COLLEGE TOWNS	#2 UP AND COMING FAMILIES	#3 METROPOLITANS
Preferences	<p>Convenience dictates food choices; they usually buy ready-made, easy-to-prepare, or frozen meals, frozen pasta, pizza crusts, and peanut butter and jelly at the closest grocery store. With their busy lifestyles, they frequently eat out or order in from fast-food restaurants, particularly McDonald's, Wendy's, and pizza outlets during the week; however, many cook at home over the weekend. They buy books online and in stores. They have student loans and bank online or by ATM. These computer-savvy students own laptop computers or expensive desktop personal computers and the peripherals to match. Connecting to the Internet is essential; they go online to research assignments, look for jobs, check e-mail, and download music. Keeping in touch is also important; they buy and use cell phones and accessories.</p> <p>New to living on their own, many College Towns residents purchase bedding, bath, and cooking products. They own few appliances but, at a minimum, have a microwave oven, a toaster, and an upright vacuum cleaner. Their lifestyle is very casual. They rank high for participating in nearly every outdoor sport and athletic activity.</p> <p>College Towns residents attend country music and rock concerts and college basketball and football games, play pool, and go to movies and bars. They also participate in public activities including fund-raising and volunteer work. They usually listen to alternative music on their MP3 players, tune in to public radio, and watch MTV and Comedy Central on cable TV. They shop at discount stores but prefer to buy branded clothes from Old Navy, Gap, and Target.</p>	<p>Family and home dictate the products these residents buy. Many are beginning or expanding their families, so baby equipment, children's clothing, and toys are essential purchases. Because many are first-time homeowners, basic household furniture and lawn fertilizer, weed control, and insecticide products are important. Car loans and mortgage payments are major household budget items. They are most likely to own or lease an SUV or a minivan. They eat out at family restaurants, especially on the weekends, and buy fast food at the drive-through or for takeout.</p> <p>They play softball, take the kids to the zoo, and visit theme parks (generally Sea World or Disney World) where they make good use of their digital camera or camcorder. They rent comedy, family, and action/adventure DVDs. Cable station favorites include Country Music Channel, ESPN news, The Learning Channel, and the Disney Channel. They listen to country, soft rock, and contemporary hit radio.</p>	<p>Metropolitans residents are no different from other owners of older homes who incur costs for maintenance and remodeling. They will contract for lawn maintenance and professional housecleaning services. Many will own or lease a station wagon. Planning for the future, residents own shares in investment funds, contribute to IRA savings accounts, and hold large life insurance policies.</p> <p>These residents pursue an active, urbane lifestyle. They travel frequently for business and pleasure. They listen to jazz, classical, public, and alternative music radio. They go to rock concerts, watch foreign films on DVD, read women's fashion magazines, and play a musical instrument. They also practice yoga and go kayaking, hiking/backpacking, and water and snow skiing.</p> <p>Active members of their communities, Metropolitans residents join civic clubs, volunteer for environmental causes, address public meetings, and work for a political party or candidate. They also belong to business clubs and contribute to PBS. They prefer to own and use a laptop computer, preferably an Apple. They go online daily to download music and buy books, airline tickets, CDs, and clothes. They also order merchandise by mail or over the phone.</p>

Note: ESRI defines the US population into 65 market or "tapestry" segments. According to ESRI, these are the three segments that most closely fit Fort Collins residents (text verbatim from ESRI). Source: ESRI.

INCOME & HOUSING

FIGURE 16: HOUSEHOLD COMPARISON

Household size, income, and housing stock



In Fort Collins, the average household size is below the national average. Housing demand (reflected in occupancy rates) is relatively high, which may put some pressure on prices and affordability. Six of every 10 housing units in the city has been constructed since 1980. Barely 1 in 10 housing units in the city predates the 1960s.

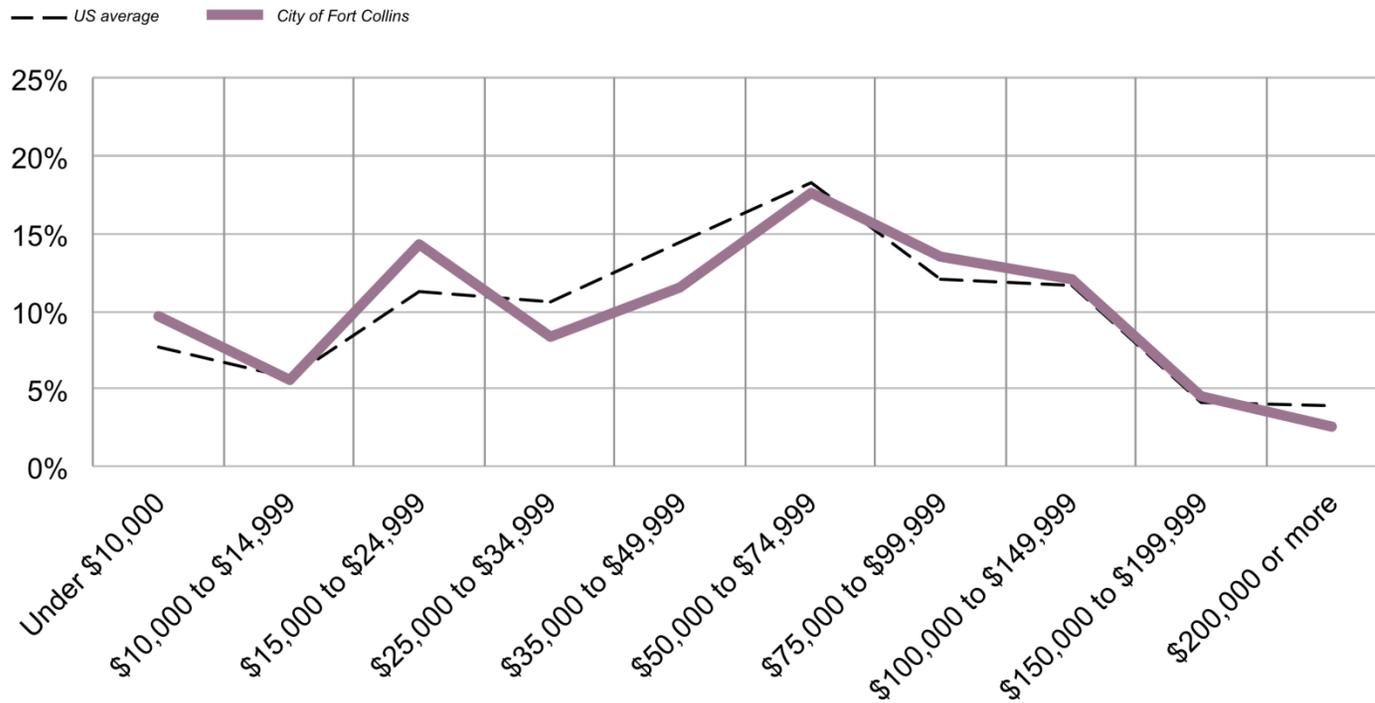
Note: The affordability ratio is the median home value divided by the median household income. The "ratio" equates the home price to raw earning potential (expressed in years of gross income needed to pay for the home) The lower the number, the more affordable the housing. Median household income for the 9-county region is an average of the counties weighted by the number of households. Median home prices in each county are weighted by the number of occupied housing units to estimate the 9-county median.

Source: U.S. Census Bureau (American Community Survey, 2009).

INCOME & HOUSING

FIGURE 17: DISTRIBUTION OF HOUSEHOLD INCOME

Share of total households by income level

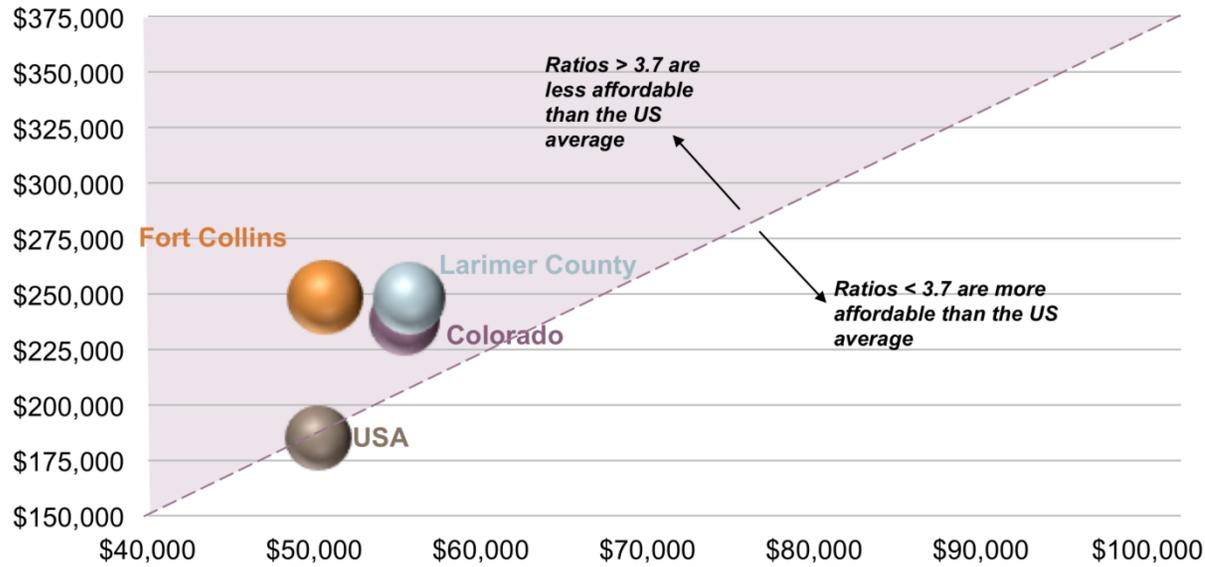


Income distribution in the City of Fort Collins closely parallels the national average. The main difference is that Fort Collins has a bulge of households in the \$15,000-\$25,000 range. This bulge is likely to be attributable to a high rate of part-time employment associated with the college-age population.

Source: U.S. Census Bureau (American Community Survey, 2009).

INCOME & HOUSING

FIGURE 18: HOUSING AFFORDABILITY RATIOS



Note: Bubble sizes reflect relative affordability: Fort Collins (4.9), Larimer County (4.5), Colorado (4.3), US average (3.7).
 Source: U.S. Census Bureau.

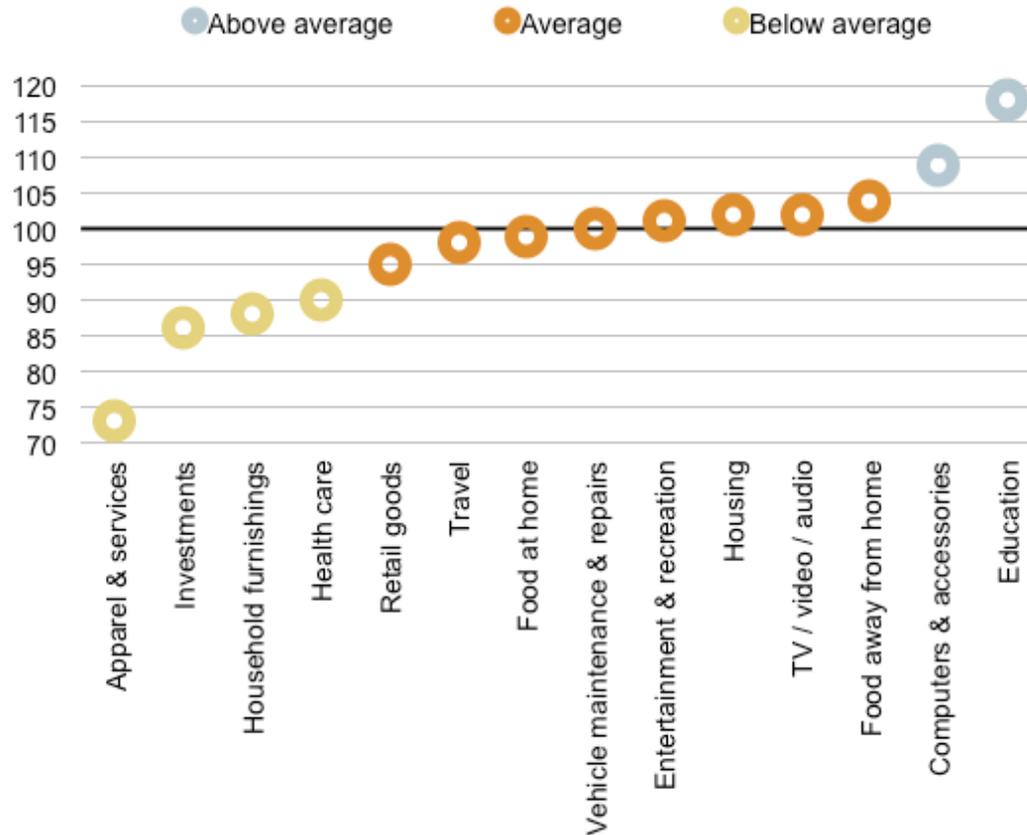
The easy rule-of-thumb for measuring housing affordability is the ratio of median home price to median household income. This ratio is essentially the number of years a typical household would need to pay for a median-priced housing unit if, in theory, 100% of income were applied to the principal until it was paid off. The lower the ratio, the more affordable the housing.

Fort Collins' affordability index (4.9) exceeds the national average by a wider margin than either the state or the county. A large student population keeps the city's median income relatively low so this drives up the affordability ratio, at least on paper. It's important to note that most students in this city are renters, so real affordability for permanent residents may actually be better than the data seem to suggest.

INCOME & HOUSING

FIGURE 19: CONSUMER SPENDING IN FORT COLLINS RELATIVE TO THE US

Extremes reflect age demographics of a college town



US average = 100 for each spending category

ESRI developed metrics based on Census Bureau data to estimate consumer spending rates for various types of household consumption.

In the City of Fort Collins, the patterns are straightforward. The presence of CSU drives up household spending rates for education and computer equipment.

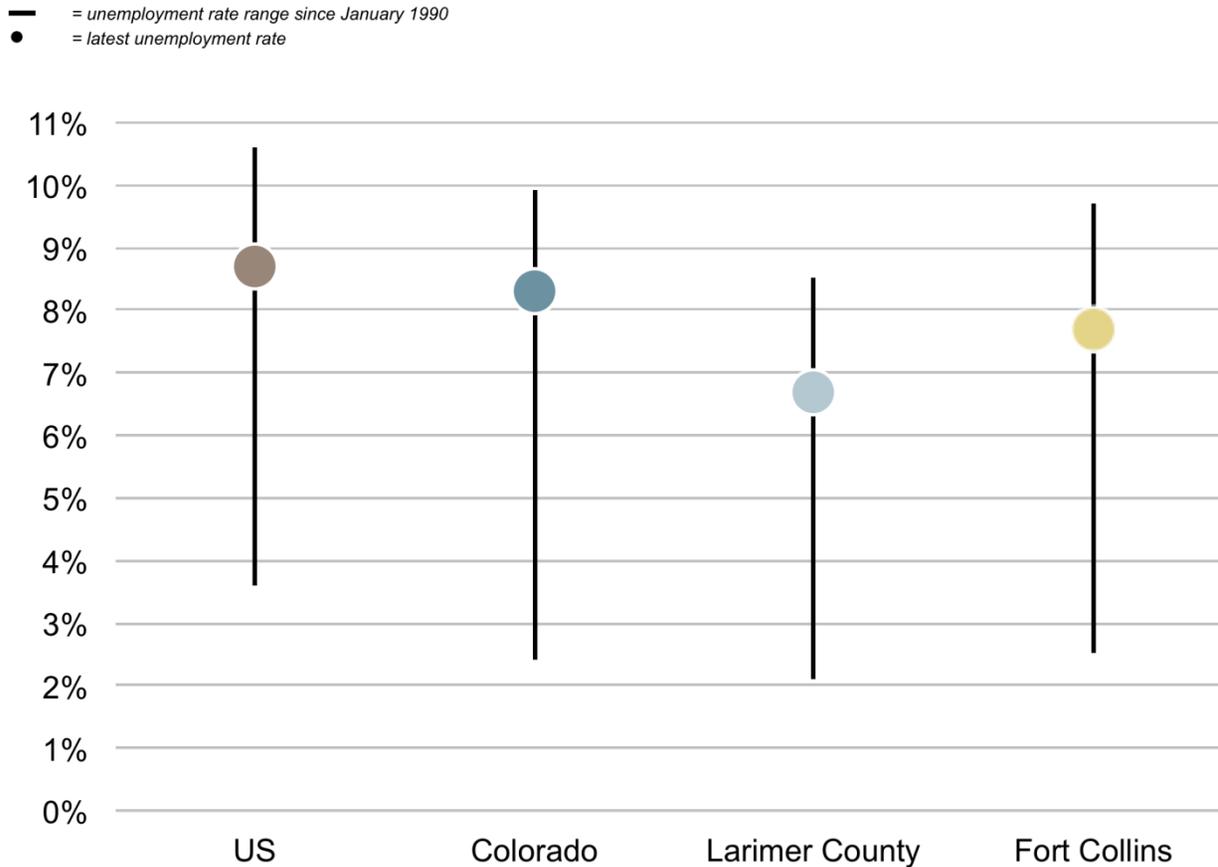
The city's young student population tends to be healthy and not yet thinking about retirement, a professional wardrobe, or furnishing a new home, so consumer spending is relatively low in these categories.

Source: ESRI; US Bureau of Labor Statistics, Consumer Expenditure Surveys.

ECONOMY

FIGURE 20: AVERAGE ANNUAL UNEMPLOYMENT RATE, 1990-2011 (%)

Latest 2011 unemployment rate relative to the historical 2-decade range



Note: Because seasonal adjustment is not available for all jurisdictions, none of the rates shown (including comparables) are seasonally adjusted.
 Source: U.S. Bureau of Labor Statistics, CPS (US rate) and LAUS (state & county rates).

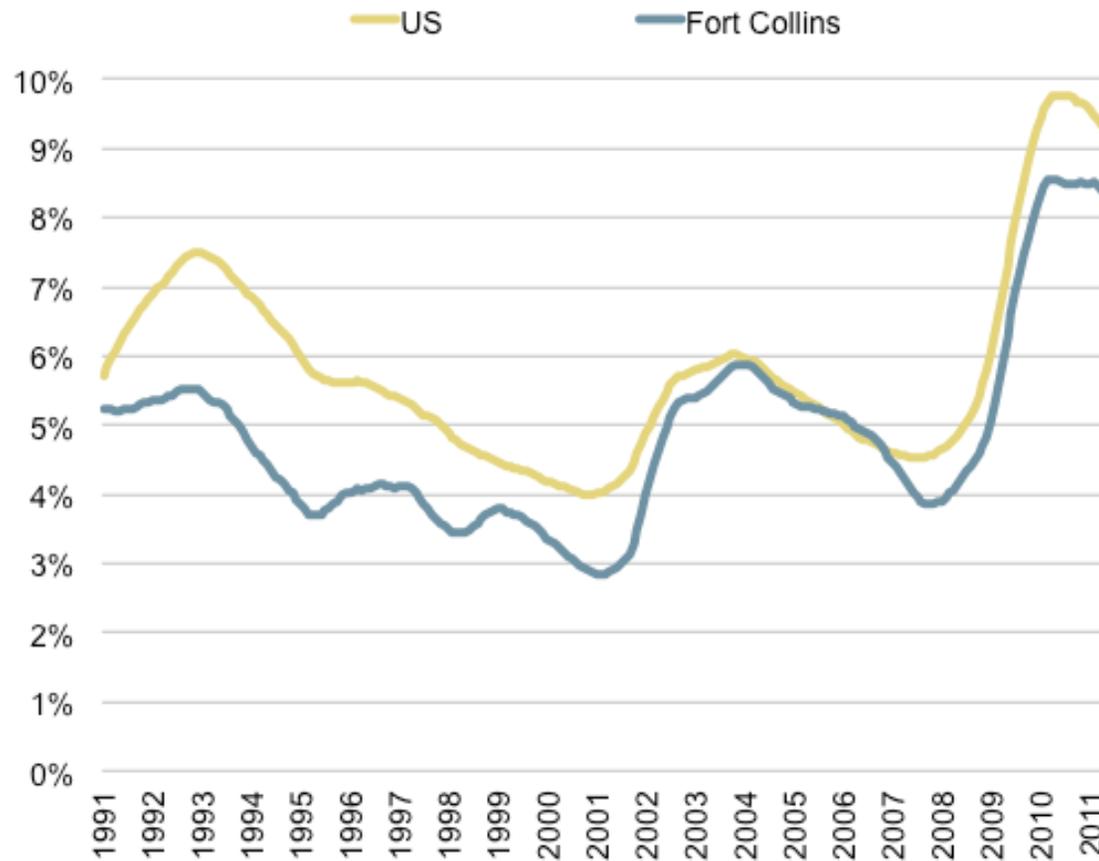
Unemployment rates nationwide rose to record highs during the recent recession and have since inched along toward gradual improvement.

In the city of Fort Collins, the overall historical range of unemployment as well as the current rate tend to be slightly higher than Larimer County overall. Some of this is inevitable due to the transient dynamics of a college-age population. Whatever the nuances may be between the city and the county, the city is nevertheless in slightly better shape than either the US or the Colorado state average.

ECONOMY

FIGURE 21: UNEMPLOYMENT RATES COMPARED

City's business cycle has converged more with the US since the tech bust



12-month moving average of the seasonally unadjusted jobless rates

To put the city's unemployment rate in context, we look back over the past 20 years.

The city's unemployment rate hit record lows during the 1990s and never quite regained that edge during the next decade.

Source: U.S. Bureau of Labor Statistics, LAUS (state & county rates).

ECONOMY

FIGURE 22: THE UNEMPLOYMENT ROLLS

Unemployment trends of Fort Collins residents over the past three years

Year	Month	Number Unemployed	Rolling 12-month	
			◀ worsening	Net Change
2011	Apr	6,443		-643
	Mar	7,391		-492
	Feb	7,937		+63
	Jan	8,066		-4
2010	Dec	6,878		-174
	Nov	7,082		+368
	Oct	6,621		+20
	Sep	6,573		-96
	Aug	6,897		-5
	Jul	7,030		-216
	Jun	7,139		-488
	May	6,804		-228
	Apr	7,086		+165
	Mar	7,883		+804
	Feb	7,874		+1,063
	Jan	8,070		+1,790
2009	Dec	7,052		+2,151
	Nov	6,714		+2,268
	Oct	6,601		+2,472
	Sep	6,669		+2,727
	Aug	6,902		+2,792
	Jul	7,246		+3,005
	Jun	7,627		+3,431
	May	7,032		+3,397
	Apr	6,921		+3,417
	Mar	7,079		+3,121
	Feb	6,811		+2,910
	Jan	6,280		+2,247
2008	Dec	4,901		+1,459
	Nov	4,446		+1,176
	Oct	4,129		+1,114
	Sep	3,942		+832
	Aug	4,110		+1,017
	Jul	4,241		+1,003
	Jun	4,196		+948
	May	3,635		+886

Monthly unemployment numbers are not seasonally adjusted, so they can only be compared to the same month in the previous year.

The recent recession has been one of the most severe in recent memory. This is true in the US as well as in the City of Fort Collins.

From mid-2008 to mid-2009, the city's unemployment rolls doubled. Since then, total unemployment has floated seasonally between 6,500 and 8,000.

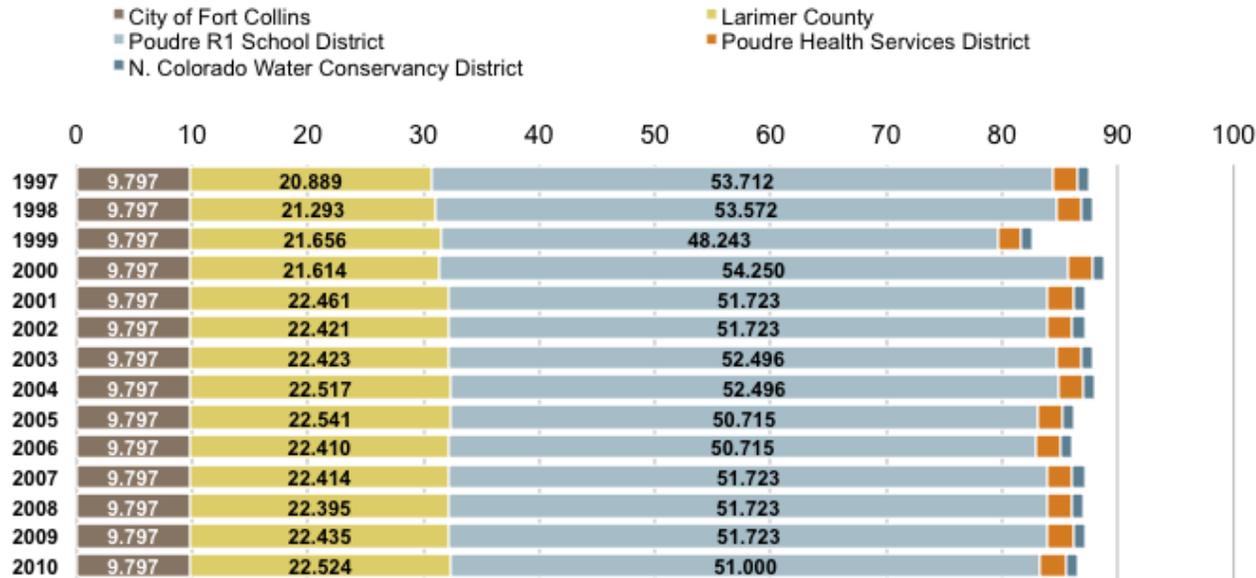
On a rolling 12-month basis, one is able to tease out incremental improvements in the monthly data, but this positive trend is weak and is still hard to see in the raw monthly numbers.

Note: LAUS survey data reflect local household employment, i.e., the job status of employed residents. This is not the same as the local job base.
Source: U.S. Bureau of Labor Statistics, LAUS program.

ECONOMY

FIGURE 23: ALLOCATION OF THE LOCAL PROPERTY TAX IN RECENT YEARS

Millage rates of overlapping governments; total rate applicable to most properties within the city



Source: City of Fort Collins, 2011-2012 Biennial Budget; Larimer County Assessor's Office.

Millage rates expressed in one-thousandths. The total mill levy of 86.488 in 2010 equals about 86 cents per \$100 valuation.

The city's mill levy of 9.797 has remained steady for more than a decade, even as the tax rates applied by other governmental units have fluctuated.

ECONOMY

FIGURE 24: MUNICIPAL PROPERTY TAX BASE

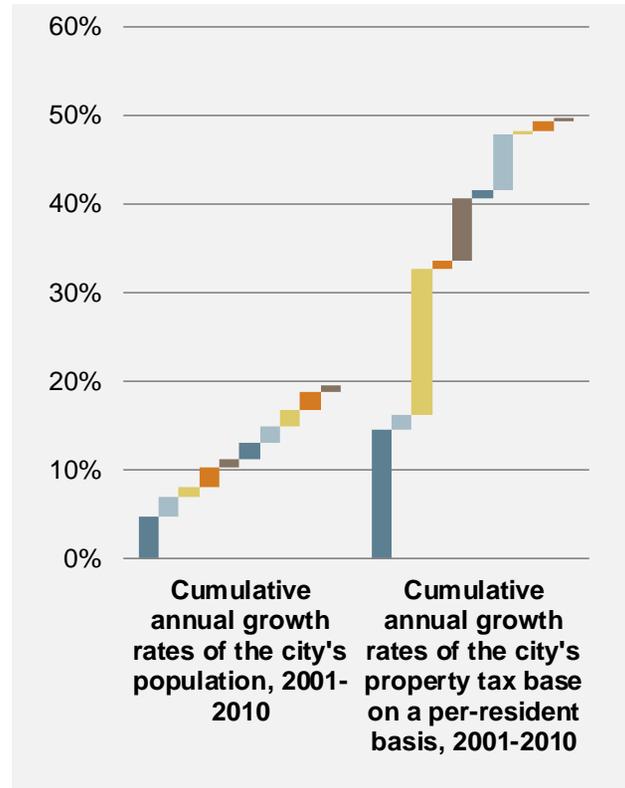
Growing much faster than population on a per-resident basis

City's estimated taxable property value Total in US\$ billions

2000	\$7.47
2001	\$8.97
2002	\$9.32
2003	\$10.97
2004	\$11.33
2005	\$12.23
2006	\$12.57
2007	\$13.60
2008	\$13.91
2009	\$14.35
2010	\$14.52

City's estimated taxable property value On a per-resident basis

2000	\$62,928
2001	\$72,152
2002	\$73,345
2003	\$85,387
2004	\$86,200
2005	\$92,297
2006	\$93,078
2007	\$98,949
2008	\$99,306
2009	\$100,429
2010	\$100,845



Despite a steady mill levy, the city's rising property values have raised the size of the tax base in total as well as on a per-resident basis.

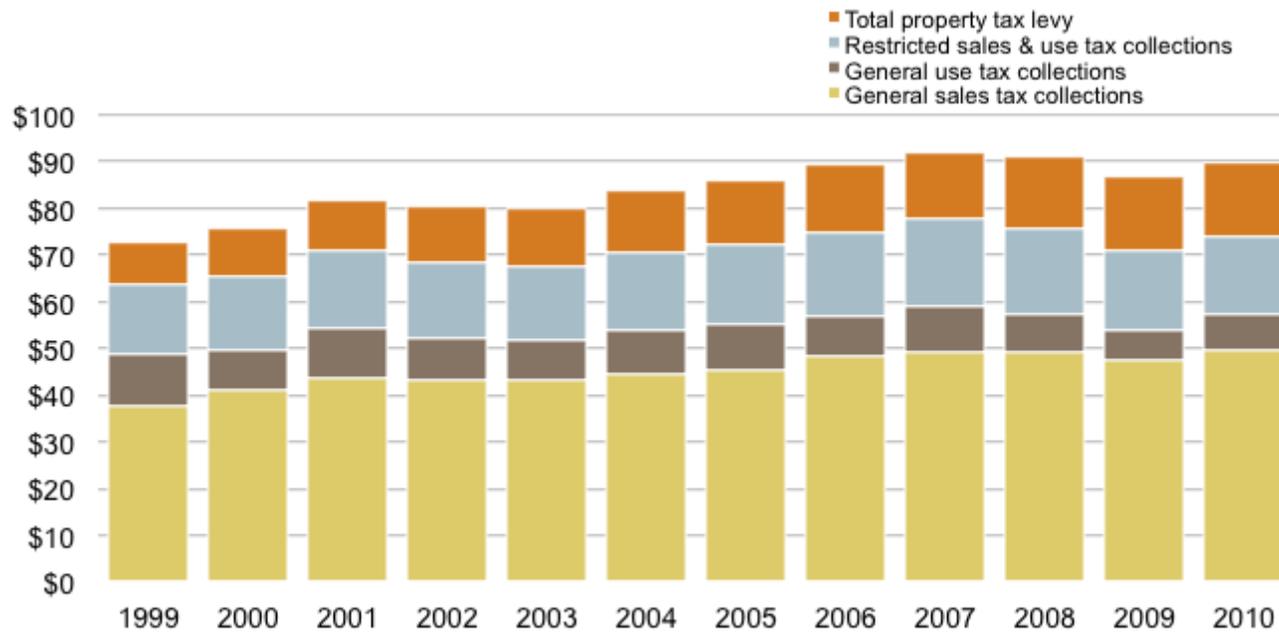
The growth of the tax base on a per-resident basis is particularly important. Over the decade, the property tax base, as measured on a per-resident basis, grew twice as fast as the city's population.

Source: Colorado Division of Local Government, Colorado State Data Center (population); City of Fort Collins, 2011-2012 Biennial Budget; Larimer County Assessor's Office (property data).

ECONOMY

FIGURE 25: THE MAJOR SOURCES OF THE CITY’S REVENUE

Combined sales and use taxes far outweigh property taxes as a revenue source)



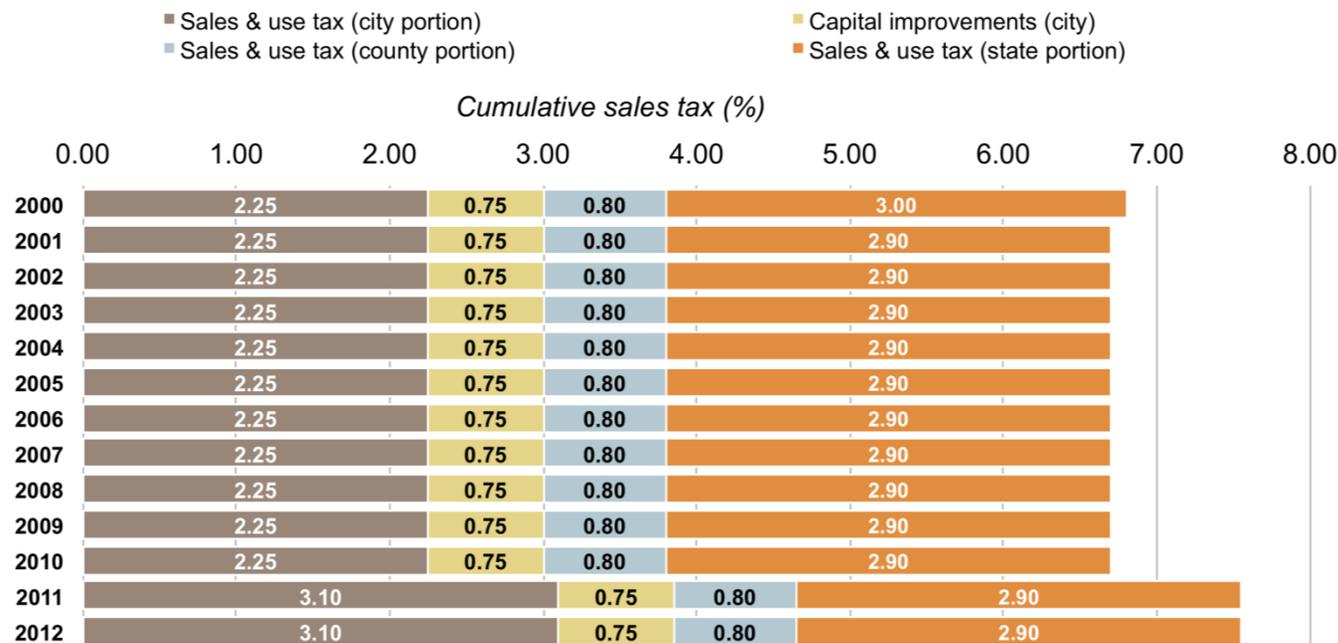
Total annual levies and collections since 1999 (US\$ millions)

The revenue gains the city enjoyed from rising property values were only a small part of the overall revenue stream. The city actually draws much more of its revenues from sales and use taxes.

Source: City of Fort Collins, 2011-2012 Biennial Budget; Larimer County Assessor's Office.

ECONOMY

FIGURE 26: ALLOCATION OF THE LOCAL SALES AND USE TAX IN RECENT YEARS



Source: City of Fort Collins, 2011-2012 Biennial Budget.

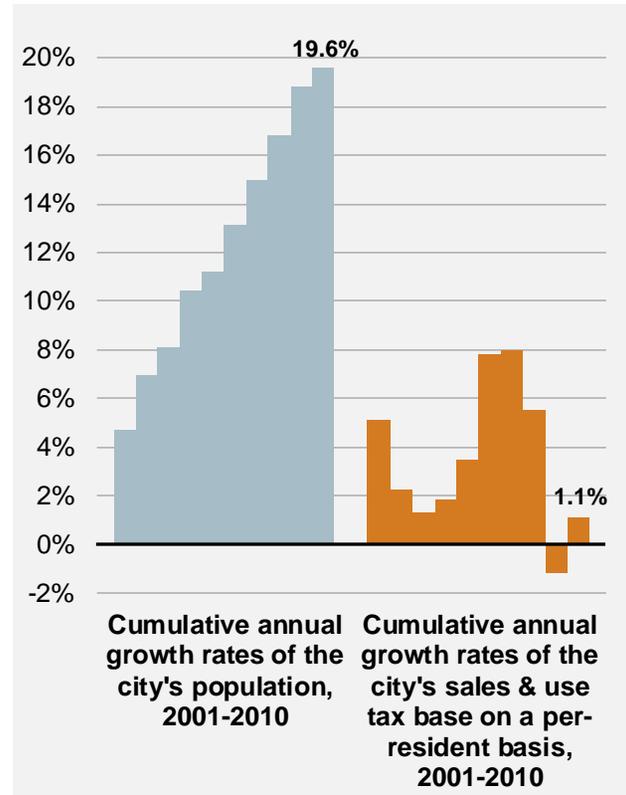
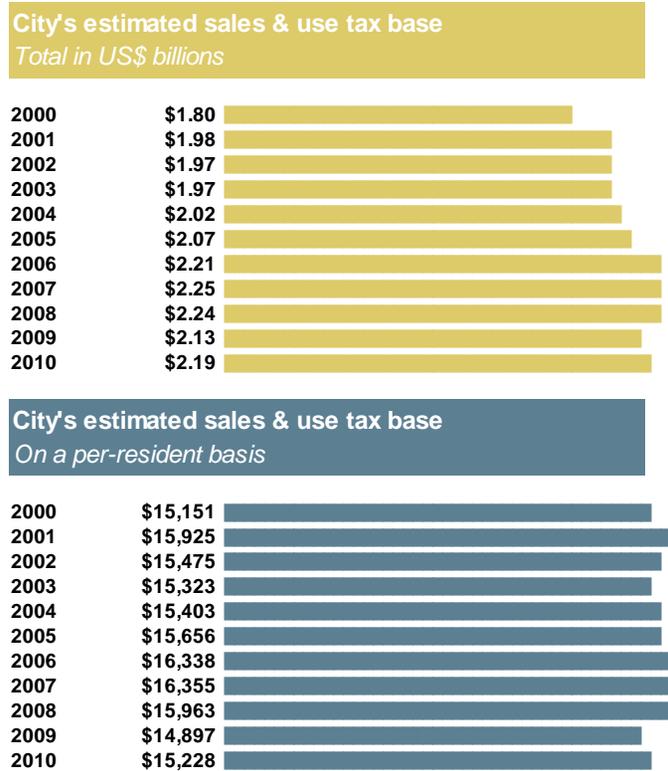
While the city's mill levy rate has held steady, the city's sales and use rate rose by 0.85% beginning January 1, 2011.

The increase was approved by voters in a November 2010 election. The 0.85% incremental increase will sunset at the end of 2020 unless it is reauthorized by voters.

ECONOMY

FIGURE 27: MUNICIPAL SALES AND USE TAX BASE

Slow growth on a per-resident basis



While the bulk of the city's revenues come from the sales & use tax, this tax base has grown much more slowly than the property tax base over the past decade. While taxable sales increased in total terms between 2000 and 2010, this base barely grew when measured on a per-resident basis.

Although the city's population grew 20% between 2001 and 2010, the sales & use tax base per resident grew only 1.1%. In addition, the population growth rate was steady and positive. In contrast, the per resident tax base varied widely from -6.7% in 2009 to 5.1% in 2001.

Source: Colorado Division of Local Government, Colorado State Data Center (population); City of Fort Collins, 2011-2012 Biennial Budget (sales & use tax data).

ECONOMY

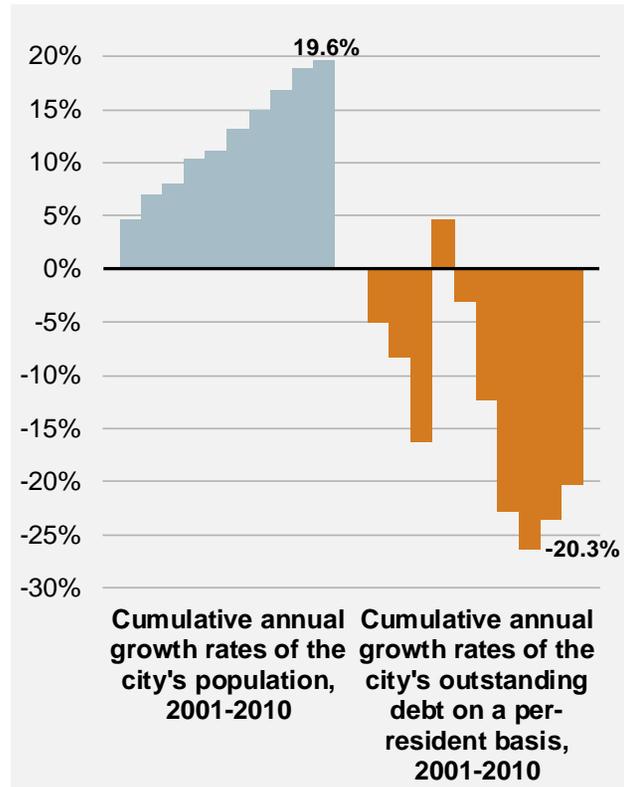
FIGURE 28: MUNICIPAL DEBT BURDEN – SIGNIFICANT IMPROVEMENTS ON A PER RESIDENT BASIS

City's outstanding debt
Total in US\$ millions

2000	\$188
2001	\$187
2002	\$185
2003	\$172
2004	\$213
2005	\$198
2006	\$183
2007	\$167
2008	\$164
2009	\$172
2010	\$179

City's outstanding debt
On a per-resident basis

2000	\$1,584
2001	\$1,505
2002	\$1,456
2003	\$1,338
2004	\$1,620
2005	\$1,495
2006	\$1,355
2007	\$1,215
2008	\$1,171
2009	\$1,204
2010	\$1,243



For a fast-growing city, Fort Collins enjoys a surprisingly lighter debt burden today than it did a decade ago. The city's debt peaked at \$213 million in 2004.

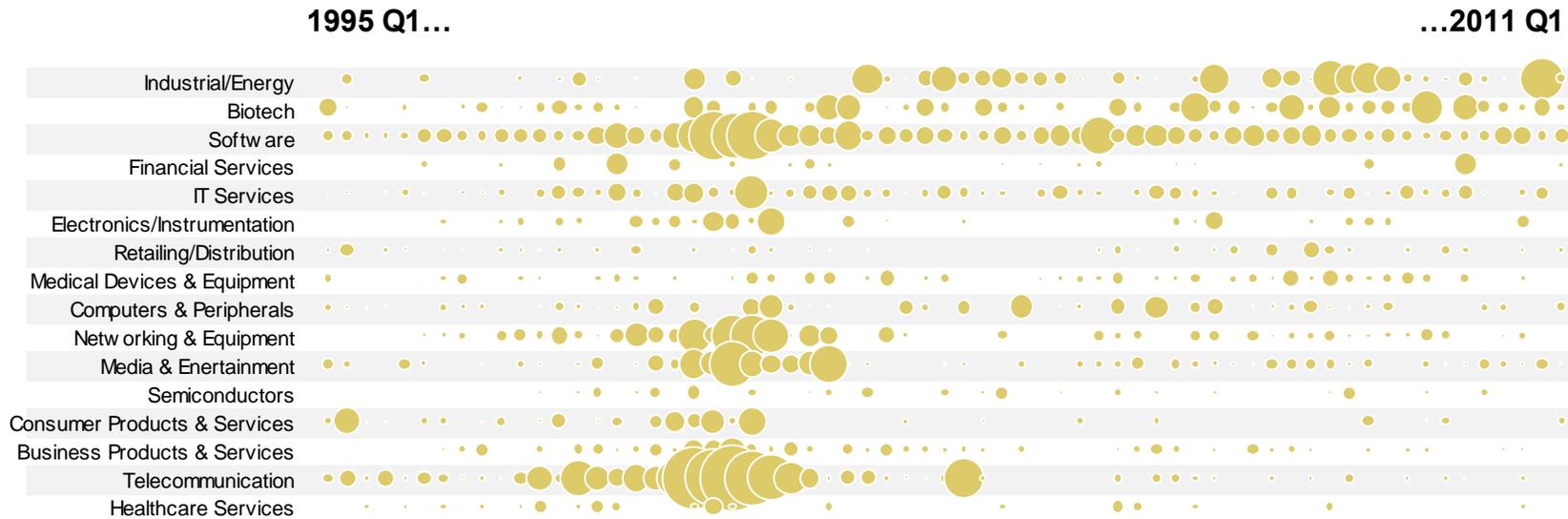
In 2010, the city's overall debt was lower than in 2000. On a per-resident basis, the debt burden fell even faster from \$1584 per resident in 2000 to just \$1243 per resident in 2010.

Source: Colorado Division of Local Government, Colorado State Data Center (population); City of Fort Collins, 2011-2012 Biennial Budget (outstanding debt).

ECONOMY

FIGURE 29: VENTURE CAPITAL INVESTMENTS IN COLORADO

Quarterly VC investment volumes for the state of Colorado by industry, 1995Q1 to 2011Q1



Source: ThomsonReuters; PricewaterhouseCoopers Moneytree.

Bubbles sizes reflect the relative dollar value of investments by industry and by quarter

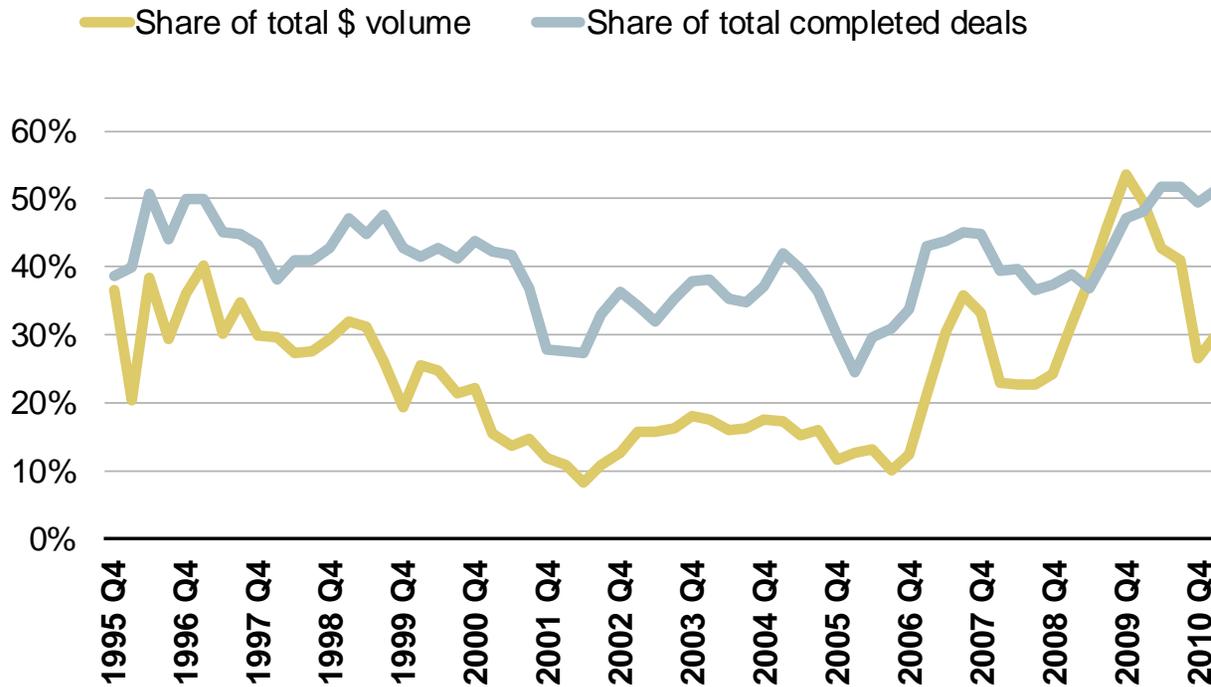
The tech boom of the late 1990s brought a wave of venture capital investment into Colorado, especially in telecom, media, network hardware, and software. A decade later, investments in telecom, media, and network hardware are few and far between, but software has continued to pull in a steady stream of capital from one quarter to the next, through both recessions and booms.

In recent years, Colorado's energy and biotech activities have caught the attention of investors. Venture capital now flows into these sectors as well.

ECONOMY

FIGURE 30: START-UP & EARLY STAGE VC INVESTMENTS IN COLORADO

Start-ups and early stage firms a share (%) of total VC investment volume and total VC deals



As the tech boom of the late 1990s unraveled, venture capital investors funneled less capital into risky start-ups and early stage companies, preferring instead to focus on more mature investments with better risk/return profiles.

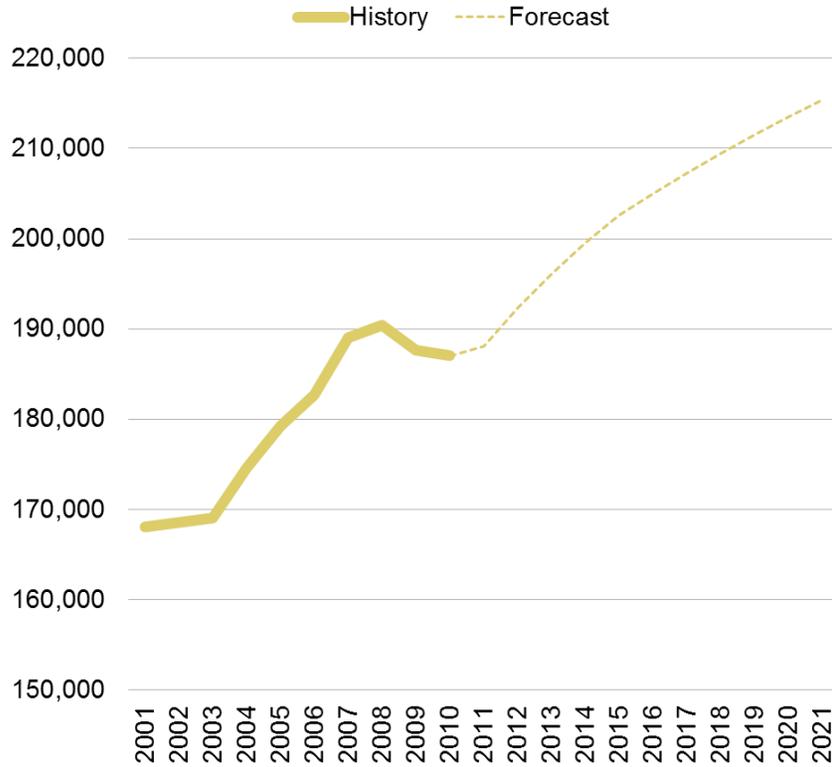
By 2006, Colorado's venture capital investments began to shift once again toward start-ups and early-stage companies. Even during the recent recession, capital has continued to flow into young companies at a higher rate than in the first half of the 2000s. Over the past year, at least half of the VC deals completed in Colorado have involved start-up or early-stage companies.

Source: ThomsonReuters; PricewaterhouseCoopers Moneytree.

ECONOMY

FIGURE 31: THE JOB BASE IN THE FORT COLLINS MSA

Two years of setback but stronger growth in the decade ahead



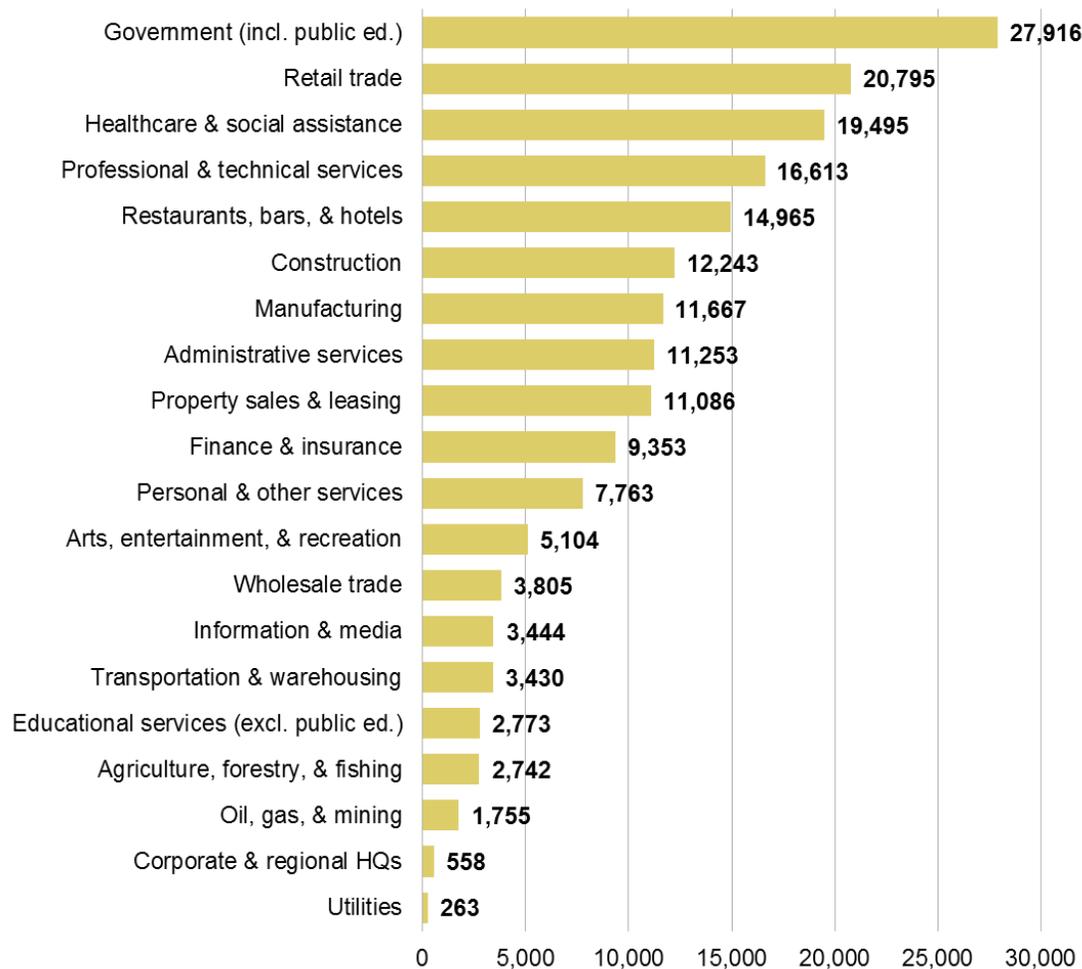
Job losses in the current recession have pushed the MSA's employment base in 2010 back down to the levels last seen in mid-2006.

EMS's most recent forecast for the MSA shows employment growth re-igniting in 2012 and then resuming a strong upward trajectory once again

Source: EMSI Complete Employment - 2011.2.

ECONOMY

FIGURE 32: JOB BASE BY INDUSTRY SECTOR IN THE FORT COLLINS MSA, 2010



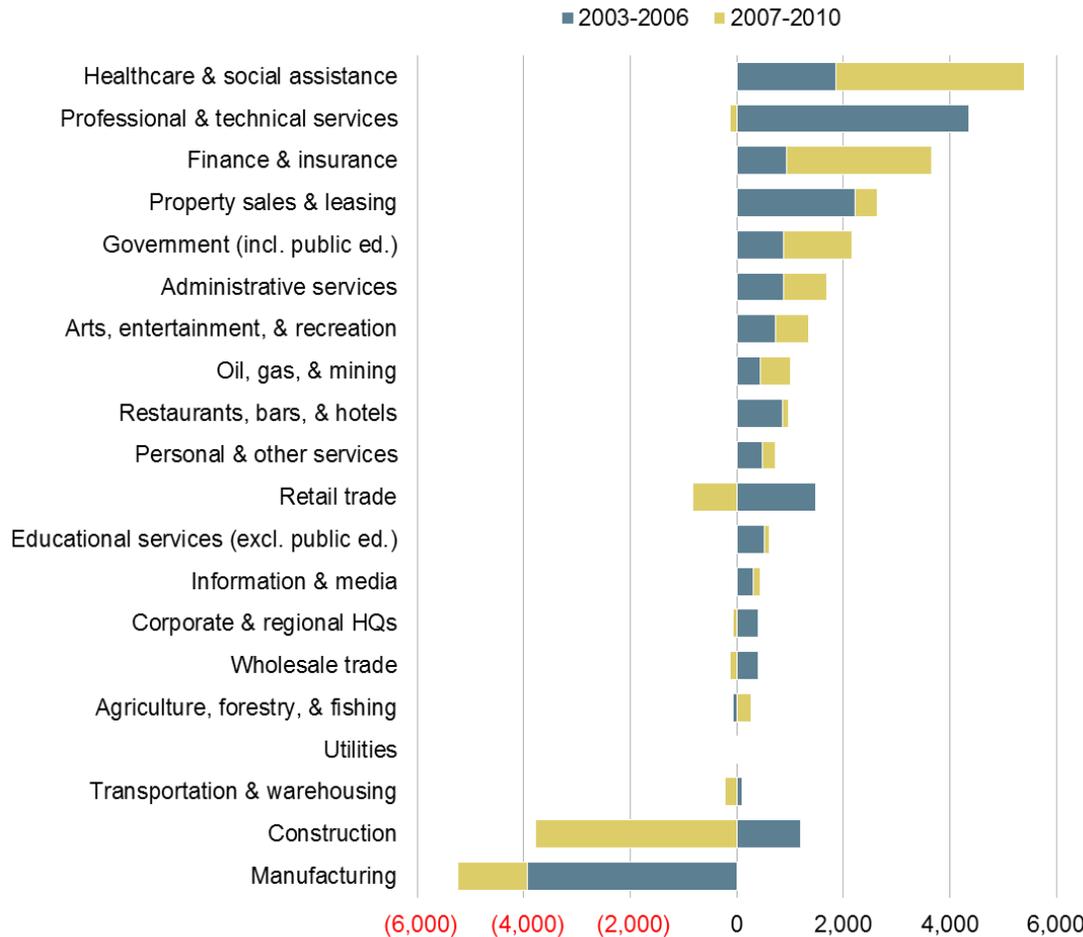
In most urban economies, three sectors typically lead the job market in overall terms—retail trade, healthcare, and government. Because the government sector as measured by EMSI encompasses all public education, including CSU, it leads the MSA's economy as the largest employer.

It is the next tier of sectors (after these first three) that often tells us much about a local economy. In some MSAs, it is manufacturing or transportation/warehousing that ranks high. In boom years, it is sometimes construction. In Fort Collins today, the driver here is professional services.

Source: EMSI Complete Employment - 2011.2.

ECONOMY

FIGURE 33: JOB GROWTH BY INDUSTRY SECTOR IN THE FORT COLLINS MSA



This chart compares the MSA's four years of job growth (2003 through 2006) with the subsequent four years when growth was slower or falling (2007 through 2010).

On a sector-by-sector basis, it was professional services that drove the economy forward before the recession hit. Since 2007, this sector has held relatively flat.

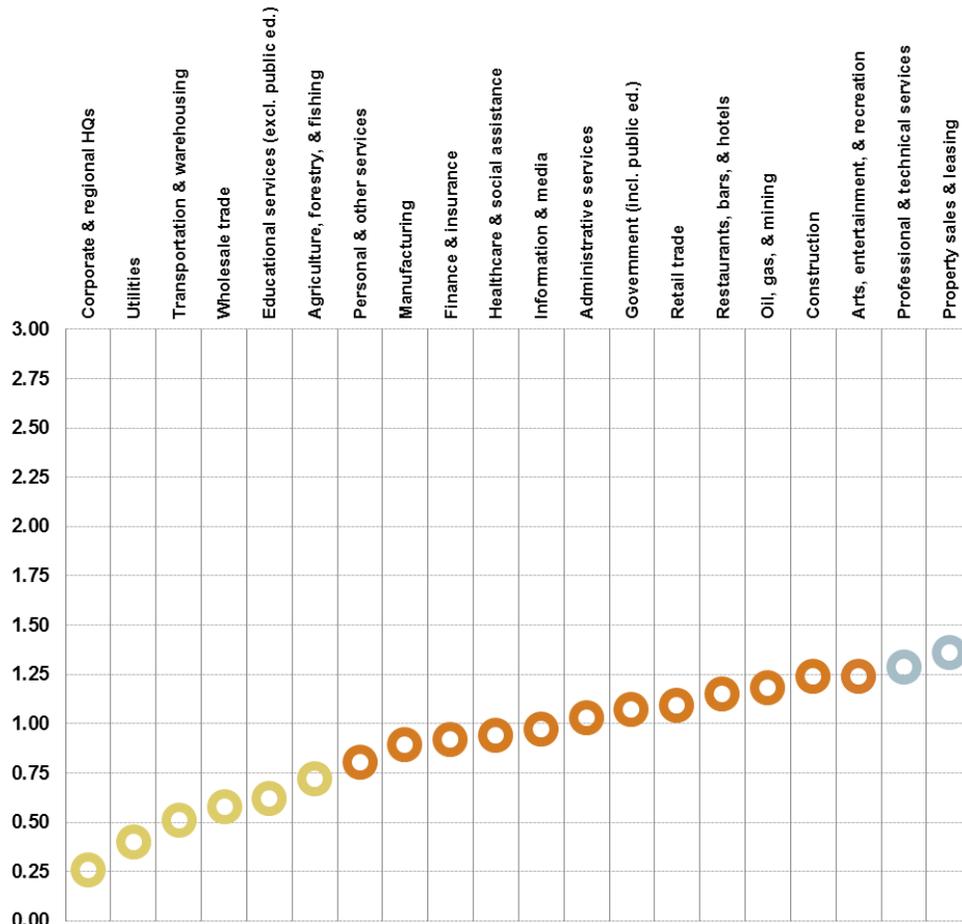
Healthcare has proven highly resilient through the downturn, and a few smaller sectors, including finance/insurance.

The brunt of job losses have been absorbed in the manufacturing and construction sectors. Retail trade has also taken a hit.

Source: EMSI Complete Employment - 2011.2.

ECONOMY

FIGURE 34: FORT COLLINS MSA INDUSTRY STRENGTHS RELATIVE TO THE US



Source: EMSI Complete Employment - 2011.2.

Location quotient (LQ) analysis

- US average for each industry = 1.00
- Regional strength > 1.25
- Regional weakness <0.75

The property and leasing sector has a high location quotient but this may be due to the presence of CSU which has the potential to generate above-average rental unit turnover. More interesting among the LQs is the high rank of the professional services sector.

ECONOMY

FIGURE 35: INDUSTRY SECTOR STRENGTHS RELATIVE TO THE US

Location quotients for the Fort Collins MSA at the 5-digit NAICS level. Based on industries that employed at least 400 workers in the MSA (Larimer County) in 2010.

NAICS Classification					NAICS Classification								
Broad sector	3-digit code & description	Level in 2010			Net Chg Since 2001	Broad sector	3-digit code & description	Level in 2010			Net Chg Since 2001		
		LQ	Jobs	Avg. Earnings	No. of Estab.			Net Job Gain (Loss)	LQ	Jobs	Avg. Earnings	No. of Estab.	Net Job Gain (Loss)
Manufacturing	31220 Breweries	32.65	921	\$71,574	5	+265	Administrative services	88720 Landscaping Services	1.25	1,477	\$21,202	148	+392
Manufacturing	333618 Other Engine Equipment Manufacturing	27.68	1,208	\$61,184	2	+307	Professional & technical services	541511 Custom Computer Programming Services	1.25	1,132	\$69,868	158	+387
Manufacturing	334516 Analytical/Laboratory Instrument Manufacturing	20.88	721	\$66,132	5	+175	Construction	236220 Commercial and Institutional Building Construction	1.25	833	\$60,262	71	+137
Manufacturing	334515 Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals	15.26	702	\$137,805	10	-1,924	Professional & technical services	541512 Computer Systems Design Services	1.24	1,127	\$69,868	199	+348
Manufacturing	334111 Electronic Computer Manufacturing	3.52	938	n/a	n/a	-409	Healthcare & social assistance	623312 Homes for the Elderly	1.24	818	\$18,622	22	+187
Manufacturing	334418 Printed Circuit Assembly (Electronic Assembly) Manufacturing	9.10	494	\$82,852	5	-497	Personal & other services	812112 Beauty Salons	1.23	867	\$24,496	59	+233
Construction	238122 Nonresidential structural steel and precast concrete contractors	7.65	554	\$53,801	8	+201	Retail trade	443112 Radio, Television, and Other Electronics Stores	1.22	482	\$26,387	33	+49
Administrative services	561422 Telemarketing Bureau and Other Contact Centers	4.42	1,919	\$19,755	17	+1,811	Construction	238221 Residential plumbing and HVAC contractors	1.17	819	\$36,987	128	+470
Information & media	511120 Periodical Publishers	4.01	712	\$45,177	21	-17	Healthcare & social assistance	621340 Offices of Physical, Occupational and Speech Therapists, and Audiologists	1.16	475	\$27,708	48	+218
Professional & technical services	541712 Research and Development in the Physical, Engineering, and Life Sciences (except Biotechnology)	3.50	1,752	\$121,444	32	+1,488	Finance & insurance	623930 Investment Advice	1.14	1,289	\$17,190	23	+859
Professional & technical services	541620 Environmental Consulting Services	2.78	406	\$44,241	50	+141	Retail trade	444110 Home Centers	1.12	778	\$27,132	10	+175
Healthcare & social assistance	622310 Specialty (except Psychiatric and Substance Abuse) Hospitals	2.64	580	\$80,892	1	+580	Healthcare & social assistance	621210 Offices of Dentists	1.11	1,073	\$42,806	173	+282
Property sales & leasing	531190 Lessors of Other Real Estate Property	2.63	575	\$41,696	18	+168	Finance & insurance	623920 Portfolio Management	1.11	1,083	\$26,232	14	+898
Finance & insurance	523910 Miscellaneous Intermediation	2.51	1,007	\$24,464	16	+746	Restaurants, bars, & hotels	722211 Limited-Service Restaurants	1.08	4,180	\$11,178	238	+788
Healthcare & social assistance	621380 Offices of All Other Miscellaneous Health Practitioners	2.49	851	\$22,151	58	+417	Property sales & leasing	531110 Lessors of Residential Buildings and Dwellings	1.06	1,460	\$20,950	87	+108
Manufacturing	334413 Semiconductor and Related Device Manufacturing	2.42	481	\$91,981	5	+188	Finance & insurance	623120 Securities Brokerage	1.05	831	\$69,868	84	+166
Professional & technical services	541940 Veterinary Services	2.38	830	\$25,925	75	+156	Construction	236118 Residential Remodelers	1.05	808	\$82,797	104	+147
Property sales & leasing	531130 Lessors of Miniwarehouses and Self-Storage Units	2.34	870	\$28,001	23	+446	Personal & other services	811111 General Automotive Repair	1.05	514	\$38,012	83	+36
Construction	238312 Nonresidential dryw all contractors	2.18	464	\$38,175	9	-70	Construction	238912 Nonresidential site preparation contractors	1.04	469	\$31,109	19	-71
Retail trade	451110 Sporting Goods Stores	2.03	635	\$17,687	62	+66	Personal & other services	812990 All Other Personal Services	1.03	499	\$28,472	16	+42
Government (incl. public ed.)	920000 State government	2.01	11,613	\$38,864	21	+438	Healthcare & social assistance	621111 Offices of Physicians (except Mental Health Specialists)	1.02	2,786	\$70,484	161	+833
Professional & technical services	541330 Engineering Services	1.85	2,017	\$61,728	202	+88	Finance & insurance	624210 Insurance Agencies and Brokerages	1.01	1,252	\$30,444	160	+268
Arts, entertainment, & recreation	713990 All Other Amusement and Recreation Industries	1.85	481	\$13,836	35	+15	Professional & technical services	541611 Administrative Management and General Management Consulting Services	1.00	880	\$38,232	101	+431
Construction	238321 Residential painting contractors	1.81	522	\$20,714	68	-70	Retail trade	441110 New Car Dealers	0.98	969	\$46,539	12	+110
Retail trade	453310 Used Merchandise Stores	1.81	499	\$14,936	26	+114	Construction	236119 New Single-Family Housing Construction (except Cooperative Builders)	0.97	873	\$87,068	129	+810
Construction	238991 All other residential trade contractors	1.80	579	\$16,943	45	-1	Finance & insurance	623110 Commercial Banking	0.95	1,388	\$48,618	81	+231
Retail trade	452210 Warehouse Clubs and Supercenters	1.76	2,206	\$22,523	7	+1,639	Healthcare & social assistance	624320 Services for the Elderly and Persons with Disabilities	0.95	781	\$17,967	17	+467
Retail trade	454390 Other Direct Selling Establishments	1.76	2,042	\$5,616	23	+195	Administrative services	861720 Janitorial Services	0.94	1,887	\$9,982	87	+249
Construction	238222 Nonresidential plumbing and HVAC contractors	1.76	1,008	\$53,251	36	+70	Healthcare & social assistance	621120 General Medical and Surgical Hospitals	0.92	4,385	\$34,983	3	+1,687
Professional & technical services	541990 All Other Professional, Scientific, and Technical Services	1.74	2,055	\$32,411	90	-422	Personal & other services	813110 Religious Organizations	0.89	1,814	\$14,472	3	+378
Administrative services	561990 All Other Support Services	1.69	511	\$45,357	39	-245	Healthcare & social assistance	623110 Nursing Care Facilities	0.87	1,586	\$27,222	14	+274
Property sales & leasing	531311 Residential Property Managers	1.67	1,037	\$17,811	69	+440	Government (incl. public ed.)	930000 Local government	0.85	13,266	\$41,381	49	+1,880
Property sales & leasing	531200 Lessors of Nonresidential Buildings (except Miniwarehouses)	1.65	1,192	\$30,894	32	+431	Government (incl. public ed.)	911000 Federal government, civilian, except postal service	0.85	2,104	\$76,216	32	+389
Arts, entertainment, & recreation	715110 Independent Artists, Writers, and Performers	1.63	1,928	\$13,029	47	+347	Professional & technical services	541211 Offices of Certified Public Accountants	0.85	419	\$41,888	101	+108
Oil, gas, & mining	211111 Crude Petroleum and Natural Gas Extraction	1.63	1,370	\$60,141	10	+840	Retail trade	448110 Supermarkets and Other Grocery (except Convenience) Stores	0.83	2,140	\$27,911	27	+223
Arts, entertainment, & recreation	713940 Fitness and Recreational Sports Centers	1.59	1,158	\$9,420	44	+444	Administrative services	861110 Office Administrative Services	0.83	840	\$20,381	32	+290
Retail trade	453220 Gift, Novelty, and Souvenir Stores	1.55	487	\$15,003	67	-184	Healthcare & social assistance	624410 Child Day Care Services	0.82	1,821	\$12,864	69	+266
Construction	238911 Residential site preparation contractors	1.53	420	\$25,965	43	-81	Retail trade	448140 Family Clothing Stores	0.81	448	\$12,807	28	+8
Information & media	518210 Data Processing, Hosting, and Related Services	1.52	526	\$40,529	17	+334	Retail trade	447110 Gasoline Stations with Convenience Stores	0.79	820	\$21,802	83	+128
Finance & insurance	522922 Real Estate Credit	1.41	403	\$61,713	17	+252	Administrative services	861320 Temporary Help Services	0.74	1,842	\$25,937	82	+882
Property sales & leasing	531380 Other Activities Related to Real Estate	1.38	1,792	\$11,884	10	+688	Construction	236212 Nonresidential electric contractors	0.74	486	\$47,283	41	+141
Professional & technical services	541680 Other Scientific and Technical Consulting Services	1.35	471	\$39,855	64	+277	Retail trade	452111 Department Stores (except Discount Department Stores)	0.73	448	\$68,911	4	-2
Personal & other services	811480 Other Personal and Household Goods Repair and Maintenance	1.32	418	\$20,464	14	+27	Agriculture, forestry, & fishing	114020 Crop and animal production	0.72	2,071	\$23,067	82	-3
Manufacturing	334119 Other Computer Peripheral Equipment Manufacturing*	1.32	55	n/a	n/a	-3,292	Retail trade	482112 Discount Department Stores	0.69	709	\$15,447	10	-998
Restaurants, bars, & hotels	722410 Drinking Places (Alcoholic Beverages)	1.30	585	\$15,319	44	-170	Healthcare & social assistance	621610 Home Health Care Services	0.63	976	\$22,694	13	+627
Restaurants, bars, & hotels	722210 Full-Service Restaurants	1.29	6,423	\$15,442	243	+679	Wholesale trade	482320 Wholesale Trade Agents and Brokers	0.55	508	\$60,702	248	+376
Property sales & leasing	531210 Offices of Real Estate Agents and Brokers	1.29	2,942	\$11,746	187	+688	Transportation & warehousing	481110 Truck Service	0.54	428	\$68,661	18	-81
Transportation & warehousing	483110 General Warehousing and Storage	1.28	855	\$35,211	8	-117	Professional & technical services	541110 Offices of Lawyers	0.50	754	\$60,768	156	+125
Professional & technical services	541219 Other Accounting Services	1.27	761	\$16,874	72	+174	Educational services (excl. public ed.)	811110 Elementary and Secondary Schools	0.45	476	\$18,841	6	+23
Restaurants, bars, & hotels	721110 Hotels (except Casino Hotels) and Motels	1.26	2,029	\$20,756	88	+293	Government (incl. public ed.)	912000 Federal government, military	0.36	312	\$27,481	0	+82
Restaurants, bars, & hotels	722213 Snack and Nonalcoholic Beverage Bars	1.26	672	\$11,928	67	+68	Personal & other services	814110 Private Households	0.35	860	\$8,389	153	+48
							Corporate HQs	881114 Corporate, Subsidiary, and Regional Managing Offices	0.29	848	\$78,891	69	+341

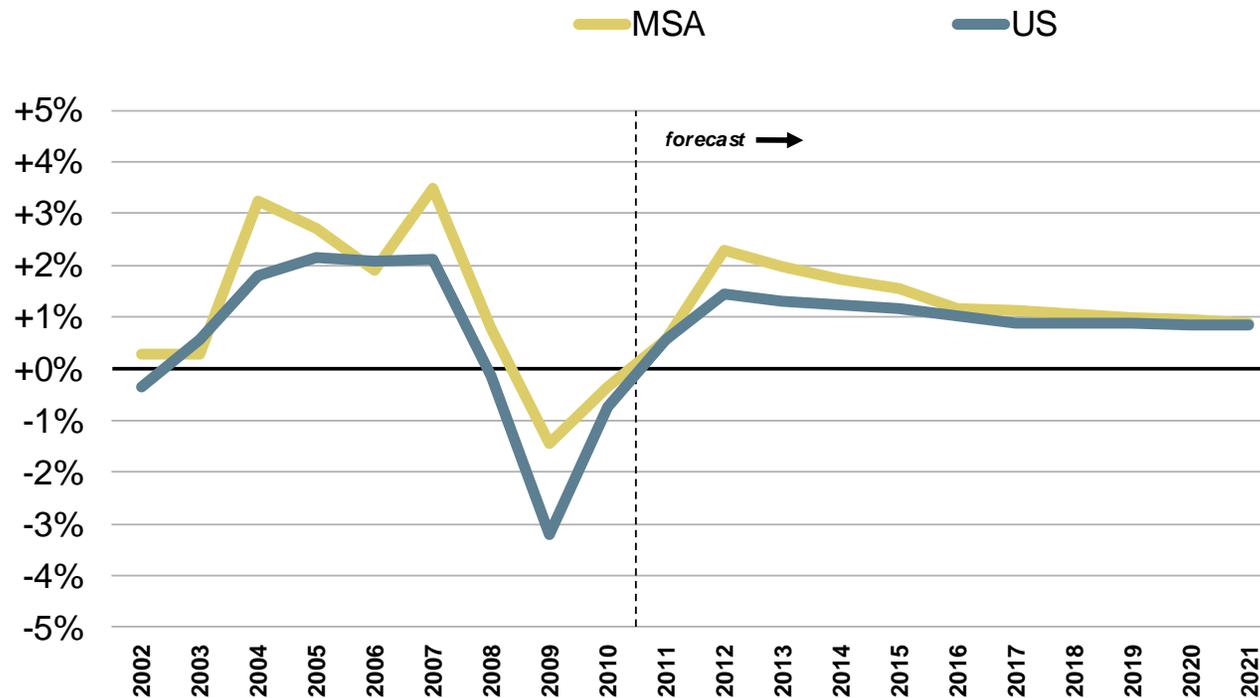
Note: NAICS code 334119 (Other Computer Peripheral Equipment Manufacturing) did not employ 400 in 2010, but because its losses since 2001 have been so severe, it was added back into the analysis for reference purposes.

Source: EMSI Complete Employment - 2011.2.

WORKFORCE

FIGURE 36: TWO SCENARIOS OF JOB PERFORMANCE: NATIONAL TRENDS VS. LOCAL TRENDS

Employment growth history (2002-2010) and forecast (2011-2021)



Dark shading represents the local median; yellow bar represents the national range between the 10th and 90th percentiles.

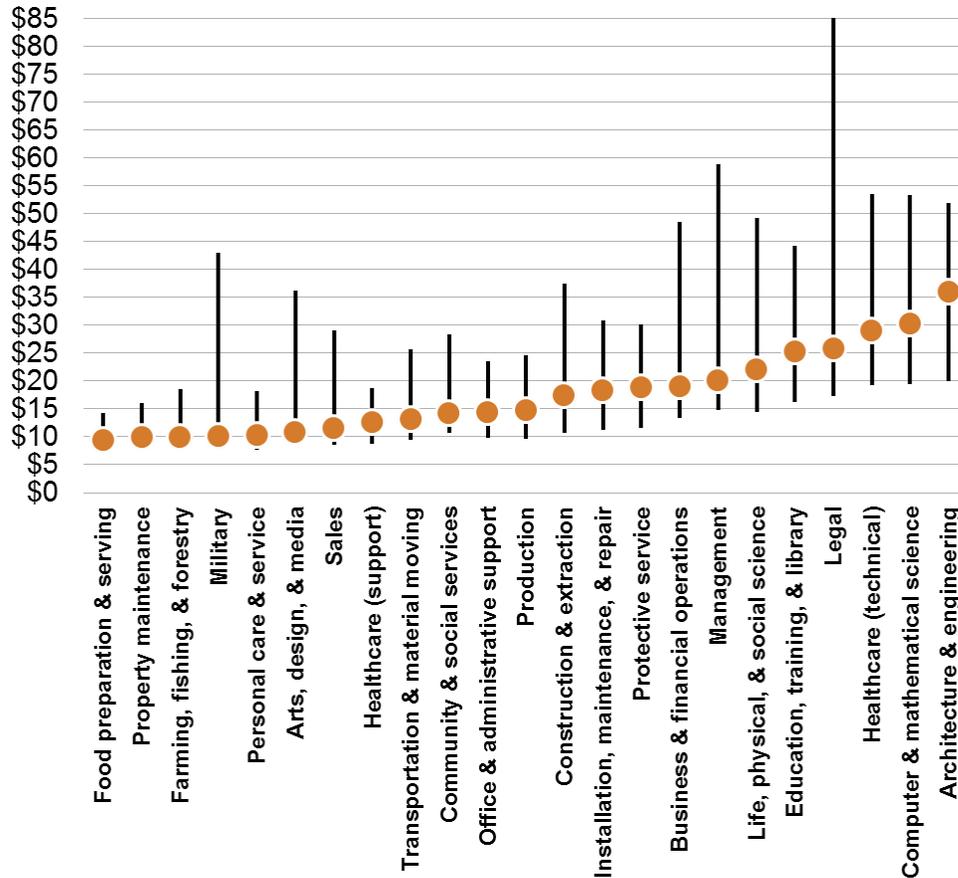
Job growth in the MSA over the past decade outperformed the national average in most years. The MSA's recovery is a little slow, but EMSI forecasts job performance here to pull ahead of the US average in 2012, then regress back toward national trends.

Source: EMSI Complete Employment - 2011.2.

WORKFORCE

FIGURE 37: MEDIAN HOURLY WAGE RATE BY OCCUPATIONAL GROUP

MSA median wage presented in the context of the national wage range



Source: EMSI Complete Employment - 2011.2.

Circle represents the county median; line represents the national range between the 10th and 90th percentiles

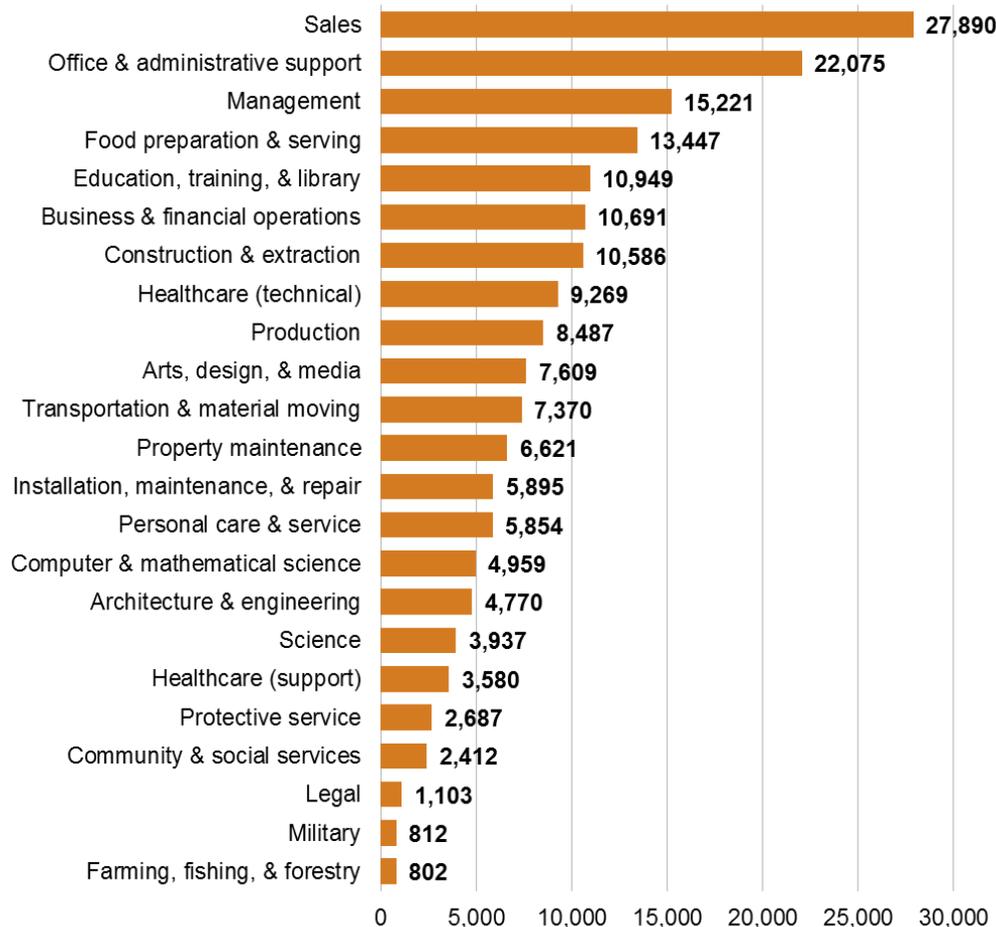
Skilled workers in the Fort Collins MSA draw higher salaries than other occupational groups. Engineers, computer scientists, healthcare professionals, attorneys, educators, scientists, and managers command the MSA's highest median wages.

At the other end of the spectrum, support workers in food services and property maintenance earn median wages that skirt just above the minimum wage.

Engineering professionals are by far the MSA's best paid occupational group.

WORKFORCE

FIGURE 38: FORT COLLINS MSA'S 2010 JOB BASE BY OCCUPATIONAL GROUP



More than one-quarter of the MSA's workers are employed in occupations that involve sales or office administration. This is not an unusual occupational pattern in an urban county.

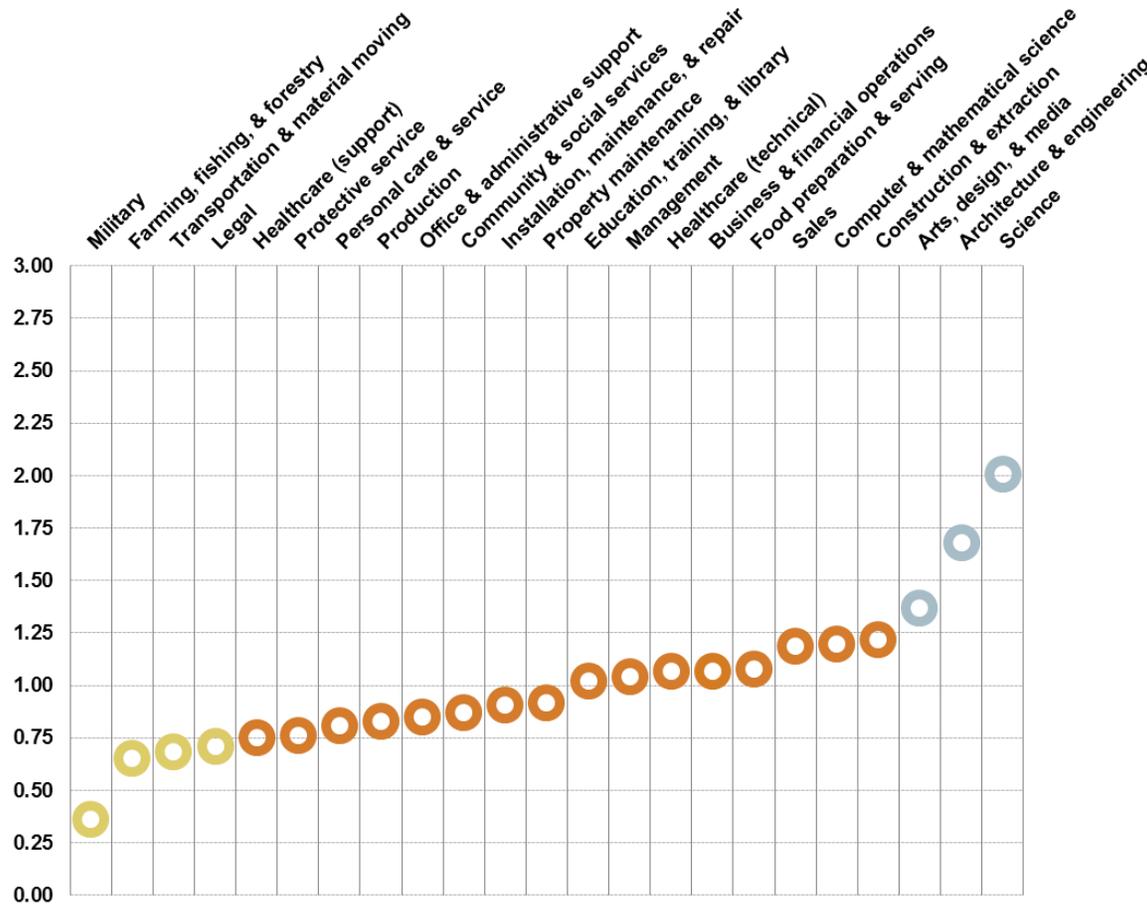
Even though the MSA has a high LQ for professional services, it's notable that the occupational groups that contribute to this sector -- computer specialists, engineers, scientists -- each provide only about 4,000 to 5,000 jobs in the MSA. These are relatively small numbers compared to, say, food service workers who number 13,000.

Source: EMSI Complete Employment - 2011.2.

WORKFORCE

FIGURE 39: FORT COLLINS MSA'S OCCUPATIONAL GROUP CONCENTRATIONS

Industries by row; occupations in columns



Source: EMSI Complete Employment - 2011.2.

Location quotient (LQ) analysis

US average for each industry = 1.00

Regional strength > 1.25

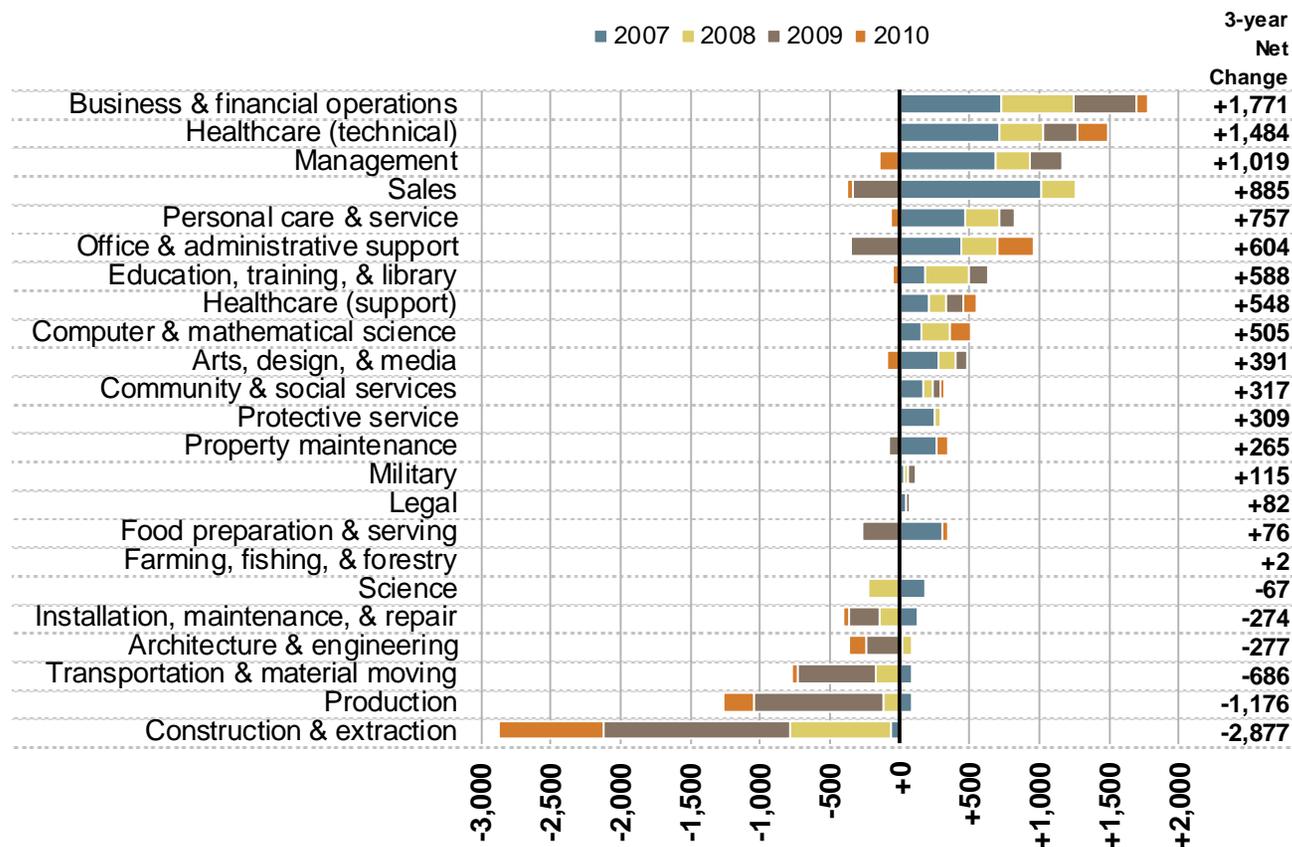
Regional weakness < 0.75

Even though the MSA supports fewer than 4,000 science-related jobs and 5,000 engineering-related jobs, these occupational groups are large enough to generate relatively high location quotients.

WORKFORCE

FIGURE 40: FORT COLLINS MSA'S OCCUPATIONAL JOB TRENDS, 2007 THROUGH 2010

A wide gap in the types of jobs gained and lost



Source: EMSI Complete Employment - 2011.2.

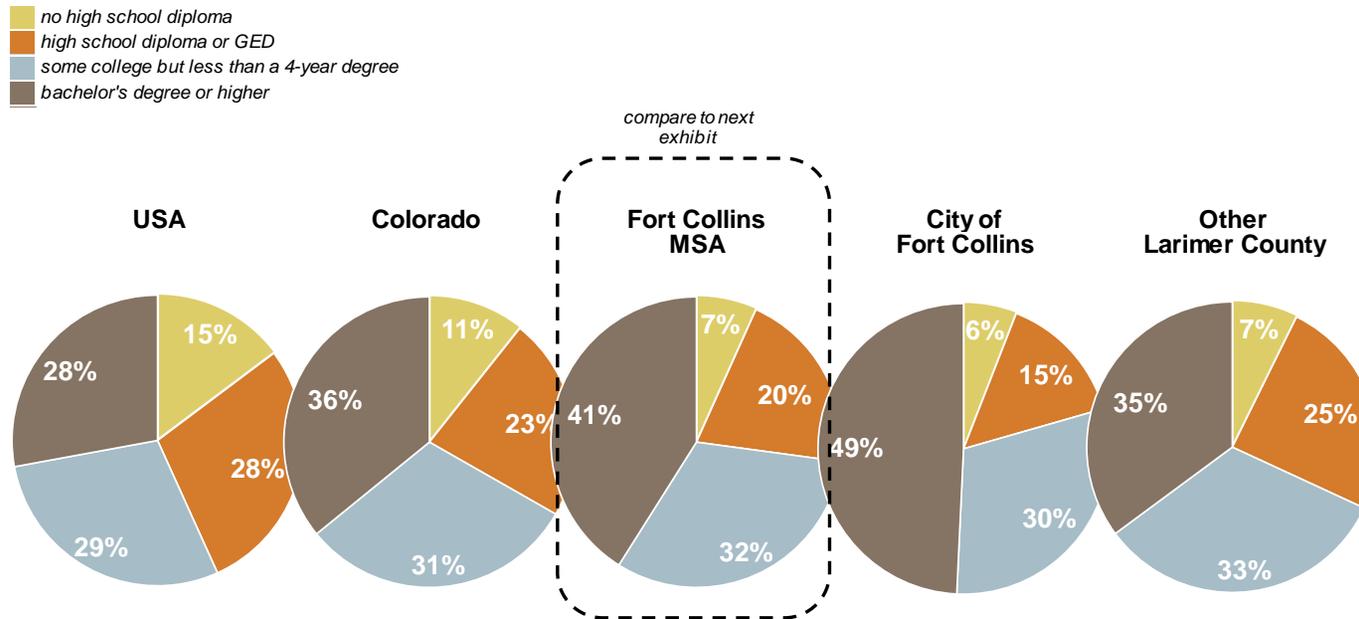
The MSA's job performance over the past four years has differed sharply across occupational groups. Blue-collar jobs in construction, production, and transportation have suffered relatively heavy losses.

Other occupations have held up well during tough times. Jobs in business, healthcare, management, education, and computers have turned in gains over at least three of the past four years (if not all four).

WORKFORCE

FIGURE 4.1: EDUCATIONAL ATTAINMENT INDICATES STRONG LOCAL SKILLS AVAILABILITY

Highest level of education achieved by the population age 25 or older



Educational attainment levels in the Fort Collins MSA are well beyond the state and national averages. Some 41% of the MSA's adult residence have a 4-year degree or higher. In the City of Fort Collins itself the attainment rate is 49%.

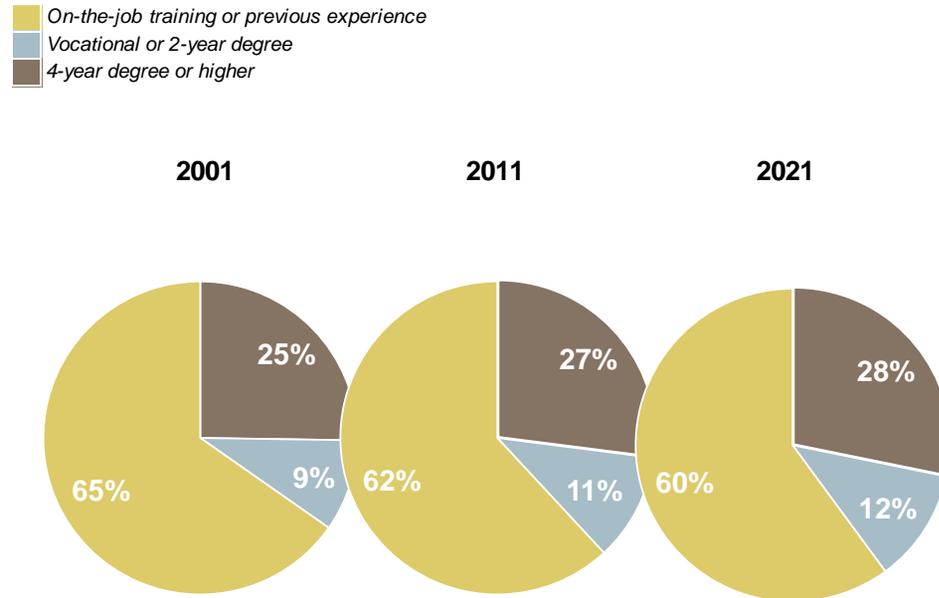
Educational attainment of the non-Fort Collins residents of Larimer County is much lower than that of the City of Fort Collins. Only 35% of the adult residents have earned a bachelor degree or higher and 25% have only a high school diploma or GED.

Source: U.S. Census Bureau (American Community Survey, 2009).

WORKFORCE

FIGURE 42: ...YET THE JOB BASE IN THE MSA IMPLIES WEAK DEMAND FOR SKILLS...

The threshold skill level required of the MSA's existing job base



Source: EMSI Complete Employment - 2011.2.

While the MSA's educational attainment rates are outstanding, the job base is a bit perplexing. According to the American Community Survey, 41% of the MSA's adults age 25 or older hold a 4-year degree or more. Yet an occupational analysis of all the current jobs in the entire MSA in 2011 shows that only 27% require a 4-year degree.

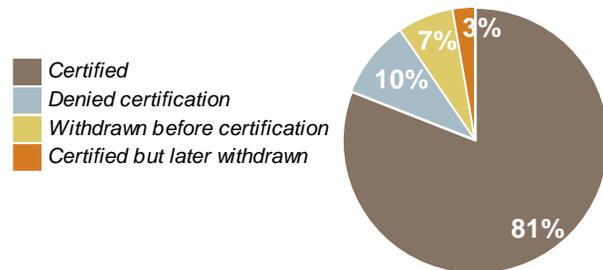
Part of this discrepancy can be explained by the mismatched data sources themselves. Educational attainment includes residents of the MSA age 25 or older, regardless of place of employment. The graph above represents the MSA's total job base (including part-time work and work held by those under the age of 25 or those living outside the MSA). This helps explain part of the data discrepancy, but certainly not all.

WORKFORCE

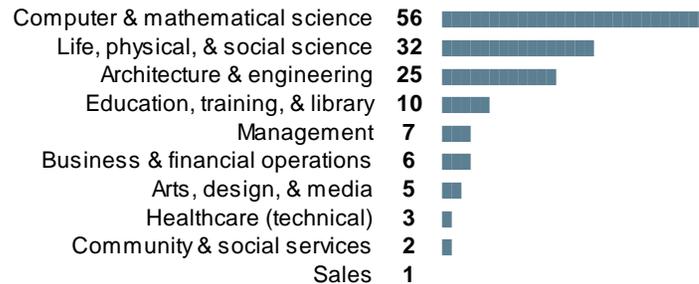
FIGURE 43: ...EVEN THOUGH SOME EMPLOYERS STRUGGLE TO FIND THE SKILLS THEY NEED-

147 H1B applications were filed in the City of Fort Collins in FY 2010

H1B applications by approval status



H1B applications by occupational group



Source: US Department of Labor, Office of Foreign Labor Certification.

Yet even if Fort Collins suffers from underemployment of existing residents, a few employers still struggle to find the skills they need. In FY 2010, employers seeking to fill vacancies within the City of Fort Collins filed 147 applications for H1B visas for their employees. About 4 of every 5 applications were approved. Most were in fields relating to computers, science, or education. CSU filed the most applications (which includes things like post-doc work) but many of these H1B applications came from high tech companies looking to fill local jobs.

H1B applications by employer

38	Colorado State University
7	Advanced Energy Industries
6	Avago Technologies US
5	Advanced Micro Devices; Centers for Disease Control & Prevention DHHS; Larsen & Toubro; Palladius
4	USDA Agricultural Research Service; Wipro
3	Cherokee Services Group; LSI Corp; New Century Software; Pacesetter International
	Apolent Corp; Fujitsu America; HP Enterprise Services; Intellectual Business Resolutions; International Technology Solutions; JSMN
2	International; Object Technology Solutions; One Tribe Creative; Otterbox FCDC; Pelco; Poudre School District; Rocky Mountain Bird Observatory; SRM Technologies
	Acnovate Corp; AT&T; Ayres Associates; Beckman Coulter; Broadcom Corp; Cambridge Healthcare; Columbus Technologies & Services; Cyber Sphere; DGN Technologies; ESC Engineering; Front Range Community
1	College; Hewlett Packard Company; Mindlance; New Belgium Brewing Company; Nexlink Systems; Punatar; Software Specialists; Sogeti USA ESAB Group; Tollmar; Turning Point Center for Youth & Family Development; VEDI Technologies; V-Soft Consulting Group; Zeninfotech

APPENDIX B: SUMMARY OF PUBLIC INPUT

Interviewees and Focus Group Participants

Ajay Menon, CSU, College of Business	Dr. Joe Giles, MicroRx	Kelly Peters, NCEDC
Ali Shore, Poudre School District	Dr. Morgan DeFort, Engines & Energy Conversion Laboratory	Kevin Cory, Vestas
Andrew Dorsey, Front Range Community College	Dr. Terry Opgenorth, NeoTREN	Laurie Hansen, Intel
Ann Hutchinson, Fort Collins Area Chamber	Emily Wilmsen, Public Relations	Lynn Vosler, Front Range Community College
Anne Lance, Teaching Tree Early Childhood Education	Gordan Thibedeau, United Way	Mark Kollar, St. Renatus
Audrey Russell, Spirae	Guy Babbitt, CETIC	Mark Wdowik, CSURF, CSU Management Corp.
Beth Flowers, Beet Street	Hill Grimmer, Be Local	Matt Robenault, DDA
Brian Fabrizio, New York Life	Jamie Grim, Fort Collins Area Chamber	Nathan Klein
Brian Janonis, Utilities	Jeff Throckmorton, CWIC	Peter Byrne, Crashboxx Telematics
Carla Starck, Small Business Development Center	Jill Shoemaker, St. Renatus	Phyllis Abt, Front Range Community College
Casey Brunson, CSU	Jim Clark, Convention & Visitor Bureau	Rick Hausman, Benchmark Realty
Clint Skutchan, Fort Collins Board of Realtors	Jim Palmer	Rulon Stacy, PVHS
Constance O'Brian, KIRA	Joe Bixler, Ranchway Feeds	Ryan Shaffer
Cristin Keohan, Advanced Regenerative Therapies	John Long, ZeroHero Events	Ryan Speir, RMI
Curt Richardson, Otterbox	Judy Dorsey, CCEC	Steve Dush, CDNS
Dan Garvin, Colorado Iron & Metal	Julie Brewen, Fort Collins Housing Authority	Steve Wooley, Avago
Darrin Osborn, Fort Collins Marriott	Justin Discoe, Sprig Toys	Stu McMillen
David May, Fort Collins Area Chamber of Commerce	Kate Hagdorn, The Neenan Company	Tim Reeser, Cenergy
Don Boxley, DH2i Company	Kathy Dotson, Larimer County Workforce Center	Todd Headley, CSURF, Tech Transfer
Dr. Joe Giles, CSU, Research Innovation Center	Kelly DiMartino & Kim Newcomer, CPIO	Torsten Eckstein, Eckstein Diagnostics, Inc.

Public Input Summary

- The partnership between Colorado State University and the City of Fort Collins is particularly strong and CSU's commitment to the economic health of Fort Collins is a huge asset to the community.
- The city is providing much needed and much appreciated support for entrepreneurs and for redevelopment through RMI and the economic development toolbox, but many individuals and businesses are not aware of the services available. Most businesses, of all sizes, felt well-supported and encouraged by

the city's Economic Health Department and other city staff. Some large employers, businesses, and developers, however, do not perceive Fort Collins to be business-friendly in comparison to other communities where they have locations. Some feel over-burdened by city regulations, which often add significantly to development and expansion costs (they do not disagree with the intent of the regulations but note that unintended side effects of regulations are not evaluated regularly). Other business feel the length of time the city council takes to review and make decisions on development issues adds to the unpredictability of the development review process and adds to their development costs.

- Talent, both young and entrepreneurial, is naturally attracted to Fort Collins. Employers generally do not have problems finding the talent they need, with the exception of certain engineering and technical occupations (which face nation-wide shortages). Entrepreneurs find the local capital network to be closed and unstructured while job-seeking talent find the local labor network closed and inaccessible.
- The Fort Collins' innovation ecosystem produces great ideas and many start-ups. Retaining those start-ups appears to be a challenge. Reasons include access to capital, executive-level talent, and suitable sites and buildings.
- Fort Collins has a strong network of public sector and non-profit organizations whose mission and activities contribute to the economic health of the community. Yet there is little coordination of these activities as they pertain to economic health.
- The City of Fort Collins is an active participant in partnerships with CSU, other public sector entities, and the private sector that support innovative projects that promote sustainability and better resource management.
- The City of Fort Collins does not actively recruit or attract companies to the community. However, many brokers, developers, and land-owners are actively marketing Fort Collins to recruit tenants to Fort Collins.
- Fort Collins is a strong regional center. Though its strength as a retail hub has eroded recently, it is still a major entertainment center, attracting residents of Loveland, Greeley, Windsor, and Cheyenne – particularly young professionals.

Opportunity Workshop Participants

Christina Vincent, City of Fort Collins

David May, Fort Collins Chamber of Commerce

Guy Babbit, Czero

Joni Friedman, Larimer County Workforce Center

Josh Birks, City of Fort Collins

Kathy Dotson, Larimer County Workforce Center

Megan Bolin, City of Fort Collins

Rocky Scott, Woodward

Ryan Speir, RMI

Steve Wooley, Avago

Todd Headley, CSURF

In September, we held a workshop with stakeholders to discuss the primary opportunities for Fort Collins. The opportunities that came out of this workshop are listed below:

- Innovation Ecosystem & Economy
 - Advanced manufacturing facility for prototyping and early stage production
 - Relationship map to connect entrepreneurs with Fort Collins capital and technical know-how
 - CSURF – College of Business Innovation Lab
 - Partnership with ACE project
 - Conference strategy tied with economic health goals
- Talent Management
 - Workforce development / education “guru” for strategic engagement of business community
 - High school internship program
 - Mechanism to engage 1099ers
 - Worker readiness
 - Leveraging CSU Alumni network
- Community Assets & Infrastructure
 - Deeper understanding of data, metrics, benchmarks, & best practices
 - Prospect tech park
 - Downtown conference center & entrepreneurial village as a system of “third places”
 - Interaction with river

Austin Visit Attendees & Outcomes

Bruce Hendee, City of Fort Collins

Bryan Willson, CSU, Engines & Energy Conversion Lab

Darin Atteberry, City of Fort Collins

Dawn DeTienne, CSU, College of Business

Josh Birks, City of Fort Collins

Mike Freeman, CSURF

Tim Reeser, CSU Ventures, Cenergy

Todd Headley, CSU Ventures, Technology Transfer

Wade Troxell, CSU and City of Fort Collins

A delegation from Fort Collins travelled to Austin in October 2011 to meet with peers and peer organizations in Austin to explore themes of entrepreneurship, innovation, business retention and expansion, technology commercialization and transfer, and industry cluster development. At the end of the trip, the group held a debriefing and brainstorm to distill and refine the “big ideas” for Fort Collins’ Economic Health Strategic Plan (EHSP). The following ideas were what came out of this exercise:

- RMI as an innovation hub, acting as the connective tissue in the innovation ecosystem
- Formalizing the City of Fort Collins’ relationships with service providers to enhance the coordination of a city-wide economic health initiative
- Research consortia as a means to growing emerging industry clusters
- Mechanisms for building a more robust capital network to support entrepreneurs
- A hotel / conference center in partnership with CSU
- Increasing CSU’s (in particular the College of Business) roll in business formation

Draft Plan – Feedback and Revisions

A draft plan was presented to the City in December 2011. The plan has been presented to and reviewed by the following groups:

- City Staff – December 2011 – January 2012
- City Council – December 2011
- Economic Advisory Commission – December 2011
- Stakeholder Workshop – December 2011
- Public Open House – February 2012 (35 attendees)

As a result of this input, the plan was restructured. Certain recommendations were added and some were moved to different objectives. The core of the plan still remains the ideas generated from the Austin Visit and the Opportunity Workshop.

APPENDIX C: BENCHMARK RESEARCH

As part of the planning process, TIP Strategies identified peer communities to benchmark economic development programs. The peers chosen were:

- Charlottesville, Virginia;
- Gainesville, Florida;
- Corvallis, Oregon; and
- Ann Arbor, Michigan.

These peers were chosen because of they share common attributes with Fort Collins. Below is a summary of these characteristics:

	Fort Collins, CO	Ann Arbor, MI	Charlottesville, VA	Corvallis, OR	Gainesville, FL
Population ¹	299,630	344,791	201,559	202,251	264,275
University (Ranking ²)	Colorado State University (#128)	University of Michigan (#28)	University of Virginia (#25)	Oregon State University (#138)	University of Florida (#58)
Distance of Major Airport	70 mi to DIA	27 mi to DTW	78 mi to RIC	90 mi to PDX	80 mi to JAX
Scenic Appeal / Outdoor Recreation	✓	✓	✓	✓	✓
Culture Values Sustainability, Arts, Quality of Life	✓	✓	✓	✓	✓
Actively Support Entrepreneurship / Innovation	✓	✓	✓	✓	✓
Family Friendly / Not a Retiree Destination	✓	✓	✓	✓	✓
Federal Labs or Research Centers	✓	✓	✓	✓	✓
Boutique Industries	Microbreweries		Vineyards, Microbreweries	Vineyards	

¹ 2010 US Census, Total Population County for MSA. Corvallis includes Albany-Lebanon Micropolitan Area.

² 2011 US News and World Report Rankings

For each peer, TIP conducted an interview with the primary economic developer of the community. On the following pages, a profile of each peer is presented along with a summary of each economic development organization's best practices, according to the interviewee.

Charlottesville, Virginia

Web Site: <http://www.charlottesville.org/Index.aspx?page=26>

What is the primary focus of the city's economic development program (e.g. BRE, attraction, economic gardening, cluster development, etc)?

The small office is broadly focused, but has paid special attention to workforce, small business/entrepreneurship assistance and technology for about the past decade. The city has done some work on sustainability, facilitating a series of workshops for local businesses, including a recent one on how to reduce energy usage and costs.

How many people are on staff in the city's economic development department (or equivalent)?

The office has four staff, including a director, assistant director, economic development specialist and office administrator. The office also coordinates and administers the functions of the Charlottesville Industrial Development Authority, which issues revenue bonds and assists with front end capital for projects.

What is the budget?

The budget for the office is approximately \$597,000 in general funds.

What are the primary economic development programs / initiatives the department funds?

The budget covers staff salaries and smaller programs. However, the city has a separate strategic initiatives fund for road projects or other business development infrastructure projects that need gap funding. The amount in the fund varies, but it currently has about \$1.5 million and gets replenished through the CIP process.

Is there also a chamber and/or economic development corporation that is active in economic development?

There are several other economic development organizations in the area including the Charlottesville Regional Chamber of Commerce and the Thomas Jefferson Partnership for Economic Development (regional umbrella group for Charlottesville and 8 surrounding counties that among other things hosts the region's small business development center).

What is the program or initiative that has had the greatest success over the past 5 years?

A few years ago, the city launched a successful shop local program called "Shop Charlottesville." Another successful partnership is the city-wide, technology zones that enable tech-based companies to receive reduction in their business professional occupancy license tax.

How does the city partner with the university in terms of economic development, including innovation and entrepreneurship?

The University of Virginia had a change in leadership about two years ago and has reorganized and created an office of commercialization and innovation partnerships. The university is reportedly trying harder to engage the external community and has also recently established a new office of economic development. The city now holds informal meetings with the university's chief economic development person on a regular basis.

There is an incubator located downtown that received financial support from the city and is housed in a city building.

Does the city have any programs to promote entrepreneurship and innovation? If so, what makes their program(s) successful and what poses the greatest challenges?

The incubator is one of their main programs to promote entrepreneurship and innovation in Charlottesville. The main challenge has been that it was started with minimal resources and it doesn't have a permanent staff (it has a volunteer executive director), which makes it difficult to engage in marketing and other activities.

Does the city have any programs specifically aimed at engaging the student body of the university?

There is a group at the University of Virginia called the "E society" made up of undergraduates interested in entrepreneurial activities. The city often partners with this group for different events, often with the local technology council, which is called the Charlottesville Business Innovation Council.

The University of Virginia's Darden School of Business operates a *Center for Entrepreneurial Leadership*.

The Charlottesville Business Innovation Council (CBIC) organizes day-long technology tours for local middle and high school students called "Tech Tours." The tours were launched to expose local students to the challenging and diverse career possibilities offered by the region's technology community.

Best Practices

The city launched a Job Fair three years ago with great success. The job fairs, which are reportedly the largest in Central Virginia, are held twice a year. The most recent job fair attracted 70 employers and more than 1,300 job seekers. In advance of the actual job fair the city and its partners organize workshops on interview techniques, resume writing, dressing for success, etc.

The most recent job fair was sponsored by the City of Charlottesville in partnership with the County of Albemarle, the Adult Learning Center, the Department of Rehabilitative Services, the International Rescue Committee, National College, Piedmont Virginia Community College, OAR, Piedmont Workforce Network, the Virginia Employment Commission and the Virginia Workforce Center.

Job opportunities for local university graduates are scarce and only a small percentage of graduates actually land a job in the Charlottesville area despite the fact that people want to stay in the region because of its high quality of life.

Other examples of best practices:

- The T100 Alumni Mentoring Program offers University of Virginia alumni the opportunity to guide start-up companies that have research origins at the University. T100 members provide hands-on mentoring and financial contributions to support companies as they evolve from concept to commercial enterprise. Mentors participate in a monthly conference call to help their team advance the commercial promise of the technology. University of Virginia.-related start-up companies and University alumni are invited to join the T100 Alumni Mentoring Program. The program is run by the University of Virginia, Office of Economic Development. For more information, visit: <http://www.virginia.edu/vpr/industry/T100.html>
- OpenSpace, located just off the Downtown Mall at 455 Second Street SE, opened its doors to local professionals and entrepreneurs for their work and meeting needs in October of 2009. As the City's most recently constructed Class A office space, the facility offers over 6,000 square feet of space designed to accommodate the changing world of work. OpenSpace features collaboration studios, a traditional conference room, expansive worktables, kitchen and lounge areas to serve the needs of professionals who need a place to work without the responsibility of a lease. For more information, see www.getopenspace.com

Other web site resources of interest:

Charlottesville Business Innovation Council - www.cvillebic.org

CBIC is the preeminent private-sector advocate and catalyst for entrepreneurship and technology-based economic development in the Charlottesville, Virginia region

Thomas Jefferson Partnership for Economic Development - www.tjped.com

The Thomas Jefferson Partnership for Economic Development is a 501(c)6 non-profit, public / private partnership formed in 1995 to help create new jobs and investment in the Greater Charlottesville Region. The partnership has recently integrated staff and resources with the Piedmont Workforce Network and Central Virginia Small Business Development Center to expand its services for existing businesses, entrepreneurs, job seekers and employers.

The University of Virginia Office of Economic Development-<http://www.virginia.edu/vpr/industry/>

The UVA Office of Economic Development serves faculty, students, alumni, corporate and community partners by fostering connections to the programs, services, and networks that support innovation and economic growth, both within and outside the university.

Gainesville, Florida

Web site: <http://www.gainesvillechamber.com/Economic-Development.aspx>

What is the primary focus of the city's economic development program (e.g. BRE, attraction, economic gardening, cluster development, etc)?

The Chamber's economic development's arm is called the *Council for Economic Outreach* (CEO). According to the web site, "CEO's charge is to assist existing businesses through expansion, to help grow new companies in our community and to attract new opportunities to Alachua County."

According to David Ramsey, Senior Director of Economic Development, the CEO focuses on: (1) growing new business/entrepreneurism, (2) business retention and expansion and (3) recruitment and marketing. A special emphasis is placed on new business development and entrepreneurship.

How many people are on staff in the city's economic development department (or equivalent)?

The Council for Economic Outreach has a staff of 3-4 people. They share a CEO with the Chamber of Commerce. Two of the staff are devoted to economic development, one staff is devoted to Innovation Gainesville (an ED plan funded by the Chamber/CEO that focuses on how to grow new companies) and there is one communications person.

The City of Gainesville had a director of economic development. However, that position has been absorbed into the city's planning department. The County just brought on an economic development coordinator in charge of economic development for the county.

What is the budget?

The CEO is 100% privately funded organization. The CEO and the chamber of commerce are separately funded. Neither organization is under contract with any other public entities. Both the chamber and the CEO have a very close relationship with the University of Florida. Gainesville has one high tech incubator, two life science incubators, a general incubator and a private incubator—all located downtown.

What are the primary economic development programs/initiatives the department funds?

The primary economic development initiative in Gainesville is known as *Innovation Gainesville*. See www.innovationgainesville.com for more details.

Is there also a chamber and/or economic development corporation that is active in economic development?

As described above, the CEO is the lead economic development organization in Gainesville. The CEO is an arm of the chamber of commerce. The city's economic development function is primarily planning, while the county recently added an economic development coordinator position.

What is the program or initiative that has had the greatest success over the past 5 years?

According to David, the iG Initiative is hands down Gainesville's most successful initiative over the past five year years. The strategic plan, which was developed with the assistance of "New Economy Strategies" was released about two years ago. The plan promotes "connectivity" and entrepreneurship by developing an "innovative infrastructure" that supports entrepreneurship.

According to David, the initiative "fundamentally changed" the way they do economic development and brought together what was previously a very polarized community.

How does the city partner with the university in terms of economic development, including innovation and entrepreneurship?

The CEO serves as a conduit/liaison between business community and the University of Florida.

The Economic Development University Community Committee—brings UF/ED/civic leaders together as an advisory committee.

Innovation HUB is a University of Florida program, a 50,000 square foot building home to life science and high tech companies, VC and angel investors and the university's tech transfer office. The project serves as the anchor for the entire redevelopment project of downtown Gainesville.

Does the city have any programs to promote entrepreneurship and innovation? If so, what makes their program(s) successful and what poses the greatest challenges?

The city owns Gainesville Technology Enterprise Center (Gtech), one of the high tech incubators. However the CEO manages the program.

Does the city have any programs specifically aimed at engaging the student body of the university?

The CEO works closely with the college of engineering placement office.

Best Practice

According to the web site, "*Innovation Gainesville (iG) began as a community initiative to harness innovation to create jobs in health and green technologies and thereby to raise the standard of living in our community. IG has transformed into a cultural mindset with hundreds of individuals and organizations working to grow an environment that fosters innovation and success.*"

The tagline of iG is "We make cool things happen." The initiative is being touted as "a way of life" and includes a strong marketing/branding/public relations component, including extensive use of videos and a blog. In addition, iG has produced two-sided business cards describing all the positive attributes of Gainesville and the group's "elevator speech." Innovation Advocates (iG volunteers) are encouraged to distribute these business cards far and wide.

iG has also created a “knowledge road map” that reportedly includes “more than 30 unique tactics and strategies to expand economic opportunities.” The plan includes detailed metrics and specifies short, medium and long-term goals.

Organizationally, iG has created four teams of volunteers: Communications, Talent, Partners and Innovation Advocates. Volunteers are asked to take an iG Pledge and are given a list of specific things they can do to fulfill that pledge such as wearing an iG t-shirt to mentoring a student to hiring an at-risk high school student to or become an iG Advocate and hand out business cards, memorize the elevator speech.

Some interesting facts from the iG web site:

- The University of Florida was ranked #1 Public University for transferring research discoveries to the marketplace.
- Gainesville has more incubators per capita than any other U.S. city.
- UF TechConnect clients have garnered over \$500 million in private investment and created over 500 high tech jobs in the past seven years. For more information on UF TechConnection, visit <http://www.research.ufl.edu/otl/techconnect.html>

Corvallis, Oregon

Web site: <http://thebec.com>

What is the primary focus of the city's economic development program (e.g. BRE, attraction, economic gardening, cluster development, etc)?

The Business Enterprise Center (BEC) is a 501 (c) non-profit business accelerator that works with early-stage companies in a supportive entrepreneurial environment. The goal of the BEC is to strengthen the local economy by nurturing successful firms so that they become financially viable and independent, with the potential to create jobs, commercialize new technologies and strengthen the local economy. The BEC has worked with more than 160 companies since its beginning in 1988.

How many people are on staff in the city's economic development department (or equivalent)?

Currently, the city does not have an economic development staff. For the past few decades, the city has traditionally run its economic development program through a contract with the chamber of commerce or another entity. In July 2011, the city transferred the economic development function from the chamber of commerce (which is now focusing more on traditional chamber roles) to the BEC.

However, the new mayor decided in 2010 to form a nine-member economic development commission, which was charged with studying the issue of how to best structure an economic development department. The commission is in the process of presenting their ideas to the city council and will reportedly recommend that the city create an economic development position within the city (with county support).

The BEC currently has 3 part-time staff, including a program manager, a planner/researcher and someone who assists Bill (who is retired). Bill is an independent contractor in charge of the Sustainability Enterprise Zone and also acts as a single point of contact for marketing land for industrial development.

What is the budget?

The BEC is funded through a mix of fees (paid by businesses for services) and grant funding (including state economic development funds). The BEC has been around for about 23 years and the city has funded them for about eight of those years at varying levels (from \$6,000 to \$30,000). During the same period, the county has funded the BEC for about four-five years for as much as \$40,000/year.

To do a good job with an accelerator, Bill recommends to plan on at least \$150,000 to support it, ideally \$200,000. The rock bottom minimum is \$55,000/year with a pool of about 30 companies at any one time.

The BEC recently relocated from a 9,000 square foot facility at the airport to a 3,000 square foot facility downtown. They are currently coaching seven companies.

What are the primary economic development programs/initiatives the department funds?

The primary focus in Corvallis is entrepreneurship and “home-grown” new business development.

Is there also a chamber and/or economic development corporation that is active in economic development?

At one time, the former city manager counted as many as 14 different organizations in charge of economic development in Corvallis. In an effort to coordinate efforts, the city formed a group called the Economic Vitality Partnership. An initiative/study called “Prosperity that Fits,” which was later produced by another group called the Economic Development Partnership. The city paid for the “Prosperity that Fits” study and the Economic Development Partnership eventually merged with local chamber.

In addition to the BEC and Chamber of Commerce, active groups include the Small Business Development Center and the Willamette Innovators Network, which holds an annual conference each November which draws in more than 1,000 participants.

What is the program or initiative that has had the greatest success over the past 5 years?

The Willamette Angel Conference (WAC) is a business plan competition that started three years ago. The conference rotates between University of Oregon/Eugene and Oregon State University and is hosted by Chamber of Commerce. Last year’s prize was \$200,000. The university’s support the WAC by providing the facility and supporting services and offering a sponsorship (around \$5,000).

The WAC is Corvallis’ most successful and visible program/best practice. It is supported by two additional programs: the Willamette Innovators Network (WIN) and the Will it Fly (WIF), which meets the first Thursday of every month and charges entrepreneurs \$50 to help evaluate their ideas and flesh out their business plan.

How does the city partner with the university in terms of economic development, including innovation and entrepreneurship?

The city of Corvallis’ most important asset university in is Oregon State University with its \$270 million research budget. Rogue Wave Software is an example of a company successfully incubated at university which went from a company of two persons to IPO.

Oregon State University recently negotiated a MOU with the city. Rick Spinrad, is the Vice Provost for Research, and is one of the city’s Economic Development Commission members.

Does the city have any programs to promote entrepreneurship and innovation? If so, what makes their program(s) successful and what poses the greatest challenges?

The BEC is the program in the area promoting entrepreneurship and innovation. The biggest challenge is stabilized funding and access to capital for start-up companies. The area’s entrepreneurs have amazing technology/ideas, but there is not a large enough “deal flow” in the region like in Silicon Valley.

Does the city have any programs specifically aimed at engaging the student body/alumni/faculty of the university?

The city has a good workforce training program and Oregon has a strong community college system.

Best Practice

The best practice for Corvallis is the Willamette Angel Conference described above.

Other web sites of interest:

- <http://www.corvallischamber.com/>
- <http://www.willametteconference.com/>

Ann Arbor, MI

Web site: <http://www.annarborusa.org/>

What is the primary focus of the city's economic development program (e.g. BRE, attraction, economic gardening, cluster development, etc)?

By far, the majority of activity in the Ann Arbor area (which is led by an organization called "SPARK") is focused on helping local entrepreneurs and existing companies expand and grow. They only try to *recruit* businesses where there is an existing niche or cluster.

The city does not have an economic development function per se. Along with the county and surrounding townships, the city outsources its economic development function to SPARK, which was established in 2005.

How many people are on staff in the city's economic development department (or equivalent)?

SPARK has a staff of about 18 or 19 people.

What is the budget?

SPARK is a nonprofit organization and has a budget of around \$4 million. About 1/3 of the money comes from local taxes/governmental units, another 1/3 come from grants and the remaining 1/3 comes from private donation (of which about half are educational institutions and corporations).

What are the primary economic development programs/initiatives the department funds?

SPARK runs a number of programs and works with businesses that are at the very early stages of product development to Fortune 500 companies.

In addition to running several business incubators, sponsoring weekly events and a boot camp for start-ups, SPARK is under contract with the State of Michigan to run a \$25 million Pre-C capital program that makes small loans/co-investments for early stage companies.

Is there also a chamber and/or economic development corporation that is active in economic development?

SPARK is the city and region's lead economic development organization. There is a chamber, but it focuses primarily on member services. SPARK was established in 2005 by a group of community leaders, including the current governor of Michigan. The driving force behind SPARK was the desire to create an organization focused on entrepreneurship and technology-led economic development. SPARK replaced the Washanaw Development Council, the county/city economic development group which focused on traditional business retention/expansion.

What is the program or initiative that has had the greatest success over the past 5 years?

Did not want to identify a single program or best practice.

How does the city partner with the University in terms of economic development, including innovation and entrepreneurship?

SPARK has an “extremely tight and close relationship” with the University of Michigan and other local higher educational institutions. SPARK staff is in constant communication with their colleagues at the university and meet monthly with their office of tech transfer.

The vice president of research at University of Michigan is the chairman of the Board of SPARK. The presidents of both universities are on their board. The director of the office of tech transfer is on their executive committee.

SPARK’s executive committee also has an attorney who is a venture capitalist specialist, the president of a local bank that specializes in tech start-up funding and several successful entrepreneurs. In addition, staff members from Spark serve on the advisory boards of various entities at the University of Michigan.

It is essential to create a culture that supports that concept of entrepreneurship and risk taking. The collaboration between SPARK and the university is informal, but ingrained in how they do business. This close relationship didn’t happen overnight.

Does the city have any programs to promote entrepreneurship and innovation? If so, what makes their program(s) successful and what poses the greatest challenges?

As described above, SPARK is involved in a number of initiatives, including incubators, boot camps, business plan competitions, etc. A local volunteer group called the New Enterprise Forum (all help entrepreneurs with their investor presentations)

Does the city have any programs specifically aimed at engaging the student body/alumni/faculty of the university?

SPARK is one of the few ED organizations that employ a full-time person focused on talent. Her job is to connect people to highly skilled positions. She works with community college/university to talk about the skills that technology companies are looking for and make sure graduates have the training/skills they need to get those jobs. She also works with the student body to make connections so that students know where the opportunities are when they graduate. There is some level of brain drain in Ann Arbor, but not as much as in past. A large percentage of start-ups are created up by non-Michigan residents.

The idea of entrepreneurship is an entire university function, not just part of the business school (also part of engineering, medical, even law school). University tells incoming freshman that they should plan on creating their own business. Engineering school had a program called “1,000 pitches.”

Best Practice

SPARK has a Business Accelerator that offers entrepreneurial services and training, consulting, physical space and funding/incentives.

SPARK also sponsors a two-day “Entrepreneur Boot Camp, which can be considered a best practice. The camp targets early stage technology driven companies that have at least one full-time person in the company and a team of two people to attend camp. A typical team will have already completed a first draft of a business plan and is in the process of validating a market opportunity and refining their plan based on market feedback. Boot Camp participants have access to Cantillon eCourse, an on-line, self-paced learning experience for technology entrepreneurs.

Boot Camp participants present their company to a panel of venture investors. Prior to the actual Boot Camp, participants receive reading and presentation materials and have the opportunity to attend pre-Boot Camp sessions (i.e., Spring Training for Start-Ups).

Boot Camp outcomes include:

- Concise positioning statement (Elevator pitch)
- Executive summary draft
- Initial investor presentation
- Road map to the next company milestone

In addition, the Boot Camp includes an “after care” program designed to further the chances of entrepreneurial success among participating start-ups. At the conclusion of Boot Camp, eligible graduating companies may receive up to \$5,000 in business consulting through Ann Arbor SPARK as well as other start-up support.

For more information about the Boot Camp, go to <http://www.annarborusa.org/media/files/SPARKBootCamp.pdf>

APPENDIX D: INNOVATION ECOSYSTEM ASSESSMENT (ISAAC BARCHAS)

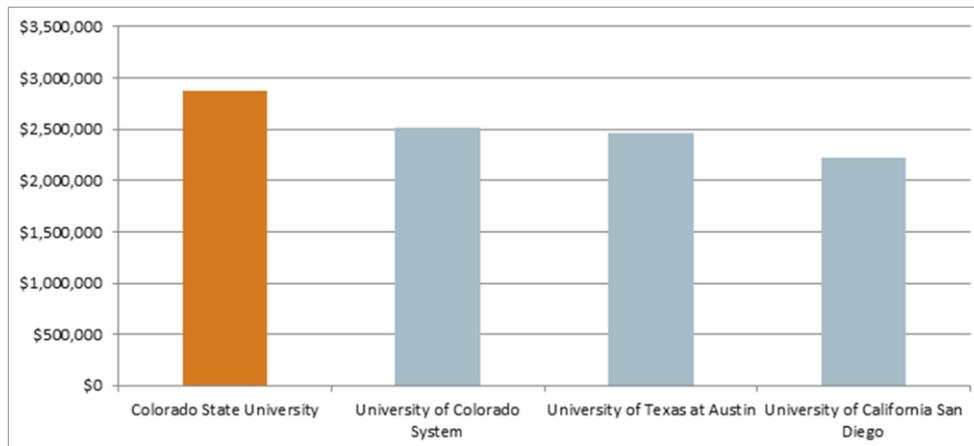
Innovation Ecosystem

Fort Collins has a robust innovation ecosystem, centered on the university and supported by impressive investments made by the university and the City to encourage the innovation economy. From this advantageous starting point, additional highly-targeted initiatives focused on attracting early-stage investment capital could produce effective payoffs.

Colorado State University (CSU) is a significant innovation engine. The university’s \$300 million research effort generates inventions at a rate that is slightly less efficient, but comparable to, peer institutions [Chart: *Research dollars/invention disclosure: CSU, CUS, UT-Austin, UT-SD*]. Organizational investments such as the

Research Innovation Center (RIC), the Engines and Energy Conversion Laboratory (EECL), and Colorado State University Research Foundation (CSURF) seem to be paying dividends as a commercialization support system. Additionally, the “inward” marketing effort generated by the “super-clusters” (MicroRX, NeoTREX, and Cenergy) seems to have been effective in communicating the value of commercialization to faculty and initiating a culture change towards commercialization, with invention disclosures increasing by approximately fifty percent over the past four years. [Chart: *Invention disclosures 2007 vs. 2011 YTD*]

UNIVERSITY RESEARCH DOLLARS PER INVENTION DISCLOSURE (2009)



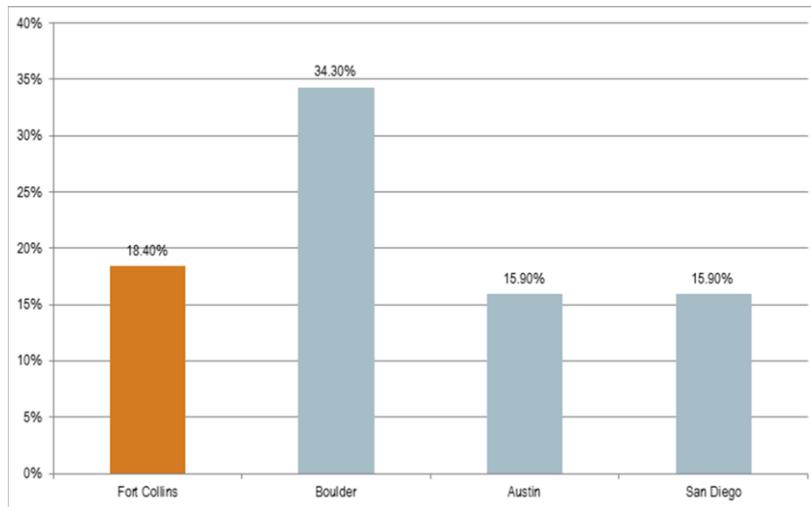
Source: Research dollar data extrapolated from the National Science Foundation Survey of Research and Development Expenditures at Universities and Colleges, available at WebCASPAR at <https://webcaspar.nsf.gov/index.jsp?subHeader=WebCASPARHome>. Colorado State University data from CSU technology transfer office available at http://www.csurf.org/tto/per_stats.htm. University of Colorado System data from FY 2009-2010 CU Technology Transfer Performance Metrics and SWOT Analysis PPT available at https://www.cu.edu/techtransfer/downloads/FY09-10_metrics.pdf. University of Texas at Austin data from the THECB Technology Development and Transfer Report FY 2009 and FY 2010 available at <http://www.thecb.state.tx.us/reports/PDF/2137.PDF>. University of California San Diego data from the UC Technology Transfer Annual Report 2009, available at <http://invent.ucsd.edu/info/documents/IASRptFY09.pdf>.

Although the university is an important source of innovation, there may be opportunities to leverage the university’s support systems more broadly in the community. University-owned intellectual property is currently the focus of most commercialization efforts. This is “normal” at universities, since all of the Association of University Technology Managers (AUTM) metrics emphasize this, but the implicit risk is that it may

leave many entrepreneurs/potential entrepreneurs unsupported. The business school at CSU presents another important opportunity to connect innovation at CSU to with innovation in Fort Collins more generally. According to CSURF interviews, the business school is not significantly engaged in either teaching entrepreneurship or in supporting business building, e.g. through business plan competitions or providing student talent to incubators. The entrepreneurship education program, for example, was described as a “lesser program in the business school.”

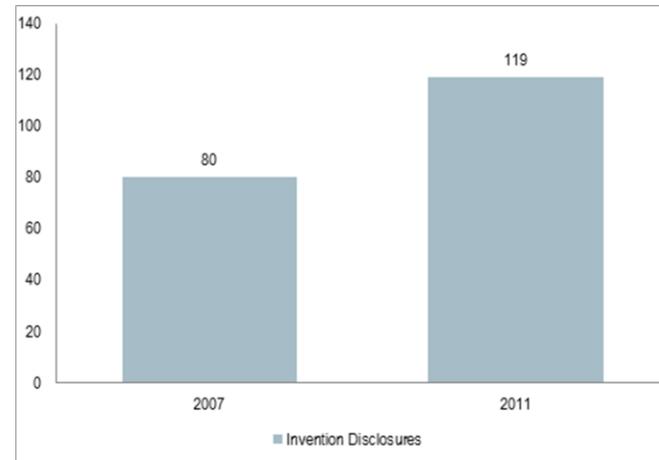
Although it is a smaller city, Fort Collins seems to have ample talent to exploit the opportunities presented by the innovation economy. Talent is not perceived to be a limiting factor by commercialization executives. This aligns with the community’s highly-

ADVANCED DEGREE HOLDERS AS A % OF TOTAL POPULATION



Source: Population data from US Census bureau (2010). Advanced degree percentages from American Community Survey (2005-2009 estimates). All data sets available at http://factfinder.census.gov/home/saff/main.html?_lang=en.

CSU INVENTION DISCLOSURES (#)



Source: Colorado State University Technology Transfer Office, available at http://www.csurf.org/tto/per_stats.htm.

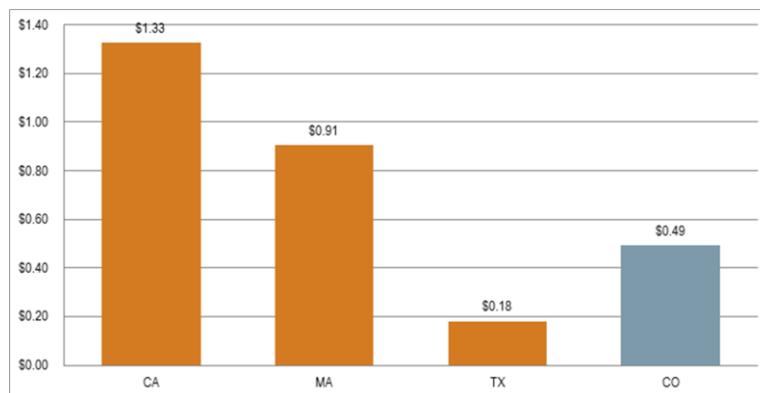
educated population. Fort Collins has almost as many advanced degree holders as Boulder (26,000 vs. 33,000), and a higher percentage of Fort Collins’ population hold advanced degrees than in either Austin or San Diego. [Chart: *Advanced degree holders as percentage of total population*] To the extent that a new venture needs talent that it cannot find in Fort Collins, the rest of the state, especially Boulder, should act as a “bench.” For example, the Boulder Innovation Center (BIC) has a database of potential start-up executives that could serve as a resource for ventures based in Fort Collins. According to interviews, the challenge associated with accessing talent outside of Fort Collins will be attracting sufficient early stage capital. In the short-term, Fort Collins could partner with peer entrepreneurship support organizations such as BIC to market local opportunities to a broader Colorado tech/executive talent pool. The city should also promote existing technology start-ups to the technologists and

TOP 10 STATES FOR VENTURE CAPITAL INVESTMENT (2010)

Rank	State	VC \$
1	California	\$11,603,000,000
2	Massachusetts	\$2,472,000,000
3	New York	\$1,401,000,000
4	Texas	\$981,000,000
5	Illinois	\$732,000,000
6	Washington	\$634,000,000
7	Pennsylvania	\$559,000,000
8	North Carolina	\$529,000,000
9	Colorado	\$483,000,000
10	New Jersey	\$469,000,000

Source: National Venture Capital Association, Colorado 2011 ppt, available at http://www.nvca.org/index.php?option=com_docman&task=doc_download&gid=736&Itemid=93.

VENTURE CAPITAL INVESTMENT PER RESEARCH DOLLAR (2009)



Source: Venture capital investment data from PricewaterhouseCoopers Money Tree Report, historical data available at <https://www.pwcmoneytree.com/MTPublic/ns/index.jsp>. Research dollar data extrapolated from the National Science Foundation Survey of Research and Development Expenditures at Universities and Colleges, available at WebCASPAR at <https://webcaspar.nsf.gov/index.jsp?subHeader=WebCASPARHome>. Note that venture capital data fiscal year does not coincide with the university fiscal year precisely.

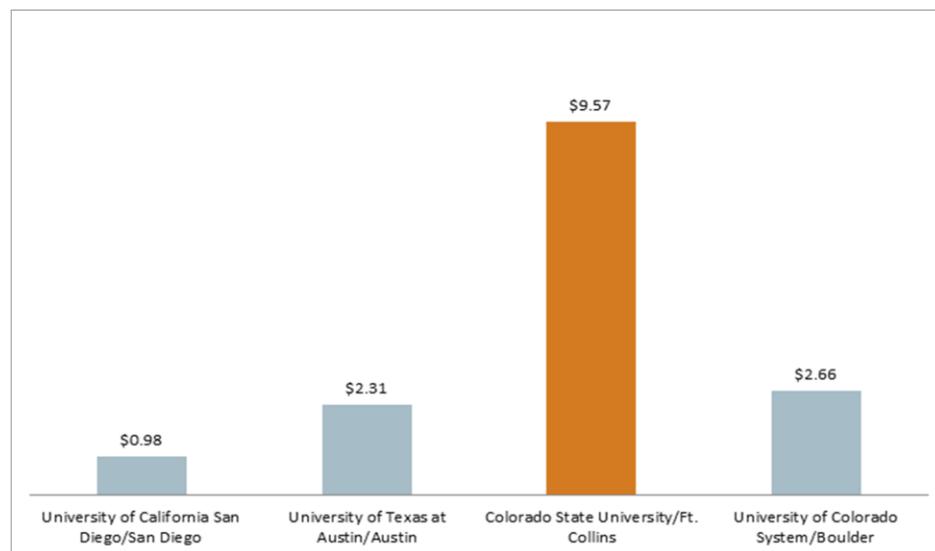
executives who are already in Fort Collins at large firms (e.g., Hewlett-Packard) but who may not have visibility into the early-stage ecosystem.

While talent does not seem to be a limiting factor in Fort Collins' innovation potential, local growth capital does seem to be a brake on its potential. As a state, Colorado is relatively well-positioned in terms of early stage funding. Colorado is in the top 10 states receiving venture capital investment. [Chart: *Top 10 states for VC investment 2010*] The state also has a relatively robust indigenous venture capital community. For example, ten Colorado-based VCs made a total of 22 investments last quarter alone, 12 of which were inside the state. In short, Colorado is one of the few states with a relatively large pool of potential in-state funders: in 2010, in-state VCs invested \$53 million in Colorado deals. The amount of venture capital invested in Colorado puts it in an attractive position to commercialize in-state research compared to many other states, although it lags the leaders. [Chart: *Venture capital investment per dollar of research spent, CA/MA/TX/CO*]

While the state is well-positioned, Fort Collins does not have a critical mass of early stage investment capital, which may compromise the health of its innovation economy. In interviews, economic development professionals and commercialization executives almost unanimously cited a lack of seed and growth funding as the primary “gap” in the city’s start-up ecosystem.

Other interviews suggest, anecdotally, that this trend might worsen in the future: it was suggested that venture capital firms outside of Fort Collins who have historically invested in Fort Collins start-ups (Boulder Ventures, Vista Ventures, Sequel Ventures) are now all on their last fund, and are having difficulty raising their next fund. The only “native” venture fund is CSU Management Corporation’s “Fund 1.” At \$3 million, the fund is relatively small and seems to emphasize Series A rather than seed stage investments.

UNIVERSITY RESEARCH DOLLARS PER VENTURE CAPITAL INVESTMENT BY CITY (2009)



Source: Research dollar data extrapolated from the National Science Foundation Survey of Research and Development Expenditures at Universities and Colleges, available at WebCASPAR at <https://webcaspar.nsf.gov/index.jsp?subHeader=WebCASPARHome>. Boulder VC investment data from http://www.bouldereconomiccouncil.org/wp-content/files_mf/economicindicatorsmar2011.pdf. Ft. Collins investment data extrapolated from <http://www.inviragen.com/news.php> and http://www.solixbiofuels.com/content/news_Austin. Austin VC investment data available at <http://www.bizjournals.com/austin/stories/2010/02/01/story3.html>. San Diego VC investment data available at http://www.connect.org/programs/connect-track/docs/Q409_CONNECT%20InnovationReport.pdf.

Given the research base at CSU, Fort Collins attracts significantly less venture investment than it should. In comparison, San Diego “earns” \$1 of venture capital investment for every \$0.98 of research spending at UCSD, while Fort Collins “earns” \$1 of VC investment for every \$9.57 of research spending at CSU. [Chart: *university research dollars per dollar of VC investment by city, San Diego/Austin/Boulder/Fort Collins*] Other seed funding sources, such as SBIR and/or STTR grants, may be underutilized resources. The angel investment community was more active prior to 2008, and according to interviews, has not yet recovered and re-organized since the recession. One angel investment group, NoCo Angels, is listed with ACEF, but it is not clear how active the angel community is locally or how coordinated local angels are with the university and City commercialization teams. It appears that the pool of accredited investors in the community has not been deployed effectively against early-stage technology opportunities. Strategies for how the existing innovation ecosystem should collaborate to organize known investors and market investment opportunities are discussed in more detail in the following section.

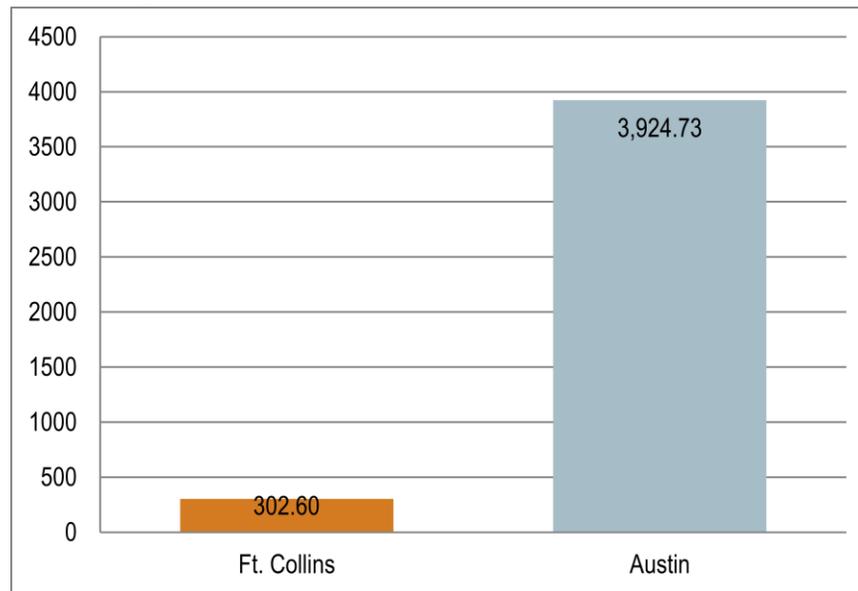
Rocky Mountain Innosphere (RMI)

The Fort Collins community has made impressive and substantial investments in incubation support infrastructure, the availability of which is now a real asset for Fort Collins. In particular, the Rocky Mountain Innosphere (RMI) is a significant asset that could successfully position itself as the “connective tissue” linking Fort Collins’ early stage community to CSU (internally) and to Colorado more broadly (externally). Both functions would be strong ways of creating “virtual scale” for Fort Collins in a way that would bolster the economic health of the region. Presently, the Fort Collins community—including the RMI staff— seem to conceive of RMI as a building and a set of educational resources. In other words, RMI’s value proposition is currently stated in terms of activities rather than outcomes. Fort Collins should embrace a bolder, more focused vision of the incubator as a *physical manifestation of sets of capabilities that allow it to deliver very specific value to member companies* (i.e. getting them funded).

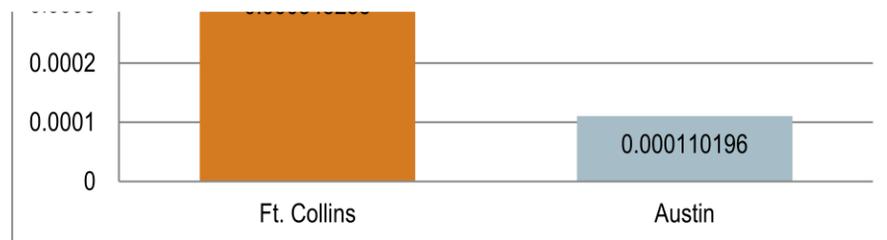
Interviews suggest that there is now sufficient incubator space to support the growth of Fort Collins’ early-stage community. Early stage incubation space “is the last thing in the world I worry about.” “We have enough wet lab space for start-ups via RIC, RMI, and university labs on a contract basis.” “Now we need to fill it up.” Empirical comparisons to aspirational peer cities, such as Austin, also indicate that Fort Collins has sufficient incubation space. Fort Collins’ incubation capacity per capita is five-fold that of Austin. Furthermore, Fort Collins has roughly 3 times the incubation space per university research dollar compared to Austin.

Fort Collins may not, however, be leveraging its incubation assets efficiently to enable the growth of high-potential start-ups. One way to

VC INVESTMENT DOLLAR PER TOTAL INCUBATION SPACE BY CITY (2009)



Source: Ft. Collins investment data extrapolated from <http://www.inviragen.com/news.php> and <http://www.solixbiofuels.com/content/news>. Austin VC investment data available at <http://www.bizjournals.com/austin/stories/2010/02/01/story3.html>.



Source: Research dollar data extrapolated from the National Science Foundation Survey of Research and Development Expenditures at Universities and Colleges, available at WebCASPAR at <https://webcaspar.nsf.gov/index.jsp?subHeader=WebCASPARHome>.

measure this “efficiency” is to look at the amount of venture capital invested per square foot of incubation space in a city. By this measure, Fort Collins is about 1/13th as efficient as Austin. This metric is not exactly on point, as it measures VC into an MSA rather than VC into companies in the MSA’s incubators, but it is almost certainly directionally correct. This suggests that Fort Collins could benefit from sharpening the value proposition of its incubation assets, specifically RMI. Based on interviews and focus groups, the current perception of the RMI value proposition is largely based on: cost-effective office infrastructure in nice space with good location; proximity to other entrepreneurs; educational programming, such as Kauffman Fast Track; and advisory programs, such as SAGE mentoring. These are real sources of value, although at least one interviewee described RMI’s value proposition as too “generic” to have real impact.

In particular, it is not clear how the current RMI value proposition directly helps member companies overcome the key barrier to technology start-up success that emerged from the interviews and focus groups: the relative scarcity of risk capital in Fort Collins relative to its technology opportunities. This indicates that RMI’s value proposition may need to evolve to more directly address this issue. A possible new RMI value proposition to member companies could be: “We will get you funded.” This institutional transition will involve a mindset shift, from “serving the community” to “building winners.” It may also mean relatively less focus on broad entrepreneurship education and support. In operational terms, the shift will require that the RMI leadership: (1) identify the most highly prospective deals; (2) disproportionately invest RMI resources in those deals to “polish” them and prepare them to receive investment; and (3) aggressively market those deals to capital.

To identify the most highly prospective deals, RMI should partner more directly with Colorado State University, especially CSURE’s CSU-Ventures program and the EECL. CSU is a primary source of commercial innovation in Fort Collins and has invested in the CSU-Ventures infrastructure to accelerate successful commercialization. There currently seems to be little coordination between RMI and CSU-Ventures and/or EECL. RMI’s value proposition to CSU-Ventures and EECL could/should be: “We will aggressively prepare your companies and market them to capital outside of Fort Collins.” In addition to creating more connective tissue between CSU’s commercialization assets and RMI, the incubator could attract other strong candidates by marketing its capabilities to the Fort Collins technology community, e.g. Hewlett-Packard employees, so that RMI becomes a preferred point of contact for the most capable entrepreneurs/pre-entrepreneurs. The Innosphere’s capabilities should also be marketed in other start-up dense geographies, where the RMI/Fort Collins offering may be attractive, in order to attract high-potential companies.

A significant investment in RMI resources, particularly in the form of human capital, will be required to “polish” deals and prepare them to receive investment. RMI should enhance mentorship, “interim executive” capabilities, and extend the SAGE program. The Innosphere should also broaden and deepen its areas of expertise by developing a formal advisor/mentor network that draws from across Colorado. RMI should also consider partnering with a mentoring organization such as MIT’s Venture Mentoring Service to help establish this network and define the engagement and activities of its members. Because executive leadership is critical for early-stage success, RMI should also identify individuals with the management talent and desire to act as “interim” executives in the top RMI deals (many of these people may be members of the advisor/mentor network.) The incubator could also consider partnering with existing “retired executive” groups if they exist in Colorado, and/or with a technology start-up focused executive search firm, to identify prospective individuals to serve in these roles. The Innosphere’s value proposition to mentors, advisors, and executives could be: “RMI is a source of high quality deals through which you can give back to the community while also exploring potential options for future engagement.”

CSU's capabilities could also be leveraged for the benefit of RMI companies. RMI could develop formal partnerships with the business school and other relevant programs (e.g., engineering, communications, advertising) for students to provide services to RMI companies. RMI could offer students the unique opportunity to work with real start-ups, earn class credit, and/or receive compensation. Students could also be engaged with the Innosphere through class projects, internships (at RMI and within RMI companies). RMI could also partner with the alumni office to identify CSU alumni with skills and capabilities relevant to RMI companies, and invite those alumni to participate. RMI member companies would also benefit from access to the CSU libraries and other facilities.

RMI should over-invest in preparing teams to pitch for funding. The staff should work with teams to ensure high quality, iterated documents. Pitches should be rehearsed with a “funding committee,” a small group of local angel investors and locally successful entrepreneurs who can listen to practice pitches and provide targeted coaching. RMI should also identify “friendly” investors in Colorado who would be willing to provide similar feedback via high-quality video conference. When teams are prepared to pitch, RMI should aggressively market those deals to capital.

Pre-venture capital in the form of SBIR funding (and other sources of non-dilutive funding) was highlighted as a critical funding gap in many interviews. SBIR funding could be operationalized and potentially funded as a partnership between the City, CSU, and RMI. The goal of the incubator should be to lower the transactions cost of pursuing angel funding for member companies. In this spirit, the Innosphere should take steps to revitalize and/or build a replacement for the NoCo Angels, drawing on best practices from the Angel Capital Association. RMI could also Partner with CSU to form a “CSU Angel Network” of CSU alumni interested in funding deals connected to CSU (typically, either based on CSU technology or founded by CSU students or alumni). Several other universities, including Texas A&M and Baylor, have established such “alumni investor” networks. RMI could also work closely with CSU Management Corporation as a prospective source of funding and expertise.

Anecdotes and comparative statistics suggest that Fort Collins appears to be “off the radar” for many early stage investors. Targeted marketing to early stage investors outside of the community in order to raise awareness of the opportunities that Fort Collins may present, could include peer-to-peer interactions between Fort Collins angels/executives and Boulder and Denver-based investors. Fort Collins could also partner with other communities in Colorado to host venture expos, tours, and/or other programs designed to attract out of state investors to Colorado. The Innosphere should market RMI deals to investors outside of Fort Collins by developing personal relationships with partners in investment firms in Denver and Boulder, explaining what RMI is doing, and sharing notable successes. It will be important to understand the firms' investment philosophies, sector foci, and funding parameters. The staff should build a detailed picture of what kind of deal each partner/firm wants to see before attempting to establish a relationship; treat these investors as “customers” that RMI is serving with “products” that are RMI companies.

The Innosphere should also engage in “retail level” marketing of RMI's very best deals to the investors to whom the deal should be most attractive. It is important to ask investors to help provide feedback on deals that are “early” for the investor, but which might be ready in 6-12 months. Innosphere staff should accompany (well-rehearsed) teams to pitches, and ensure that they act on any investor feedback. The staff should also develop a small network of institutions aligned with RMI's mission who have strong investor networks of their own, and leverage those relationships for selective deals. Examples of “aligned institutions” include: NREL, ATI, Surge Accelerator. RMI should also engage in light touch “wholesale” marketing to communicate RMI's new value proposition to the investor community.

An aggressive, on-going public relations campaign will be an important component of engaging investors outside of the community. Fort Collins and RMI should ensure that “home-grown” successes receive more aggressive national coverage in media consumed by the investor community. A public relations campaign will benefit the entrepreneurs whose stories are celebrated and the start-up community more broadly. The “Fort Collins brand” will continue to be associated with innovation successes and RMI in particular will gain visibility as a high-impact incubator.