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# Creating and Sustaining a Great Community

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Creating and sustaining a healthy economy in Fort Collins has historically been achieved by focusing on preserving and enhancing the natural environment, preserving and maintaining programs and services that contribute to a high quality of life, continuing to build on the success of the downtown area, and maximizing the value of Colorado State University in our community. The City of Fort Collins implements a broad array of programs and services focused on preserving and enhancing the natural environment and maintaining a high quality of life. The purpose of the Economic Action Plan is not to categorize and inventory these programs and services, but instead to focus on those specific activities that are focused on enhancing the local economy in Fort Collins.

## Economic Action Plan

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The City Council created and adopted an Economic Vision and Values statement that provides the grounding for the Economic Action Plan. The Vision Values are as follows:


**Economic Vision**

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

**Economic Values**

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

The Economic Action Plan goes further to identify four key strategies for implementing the Economic Vision/Values. These four key strategies are:

- Diversity the economy
  - Be proactive
  - Form partnerships
  - Balanced approach
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The Economic Action Plan proposes a series of initiatives that support each of these four strategies. These strategies were selected to build on the City's economic strengths, to address economic weaknesses, capitalize on opportunities, and understand and address economic threats. The Strengths, Weaknesses, Opportunities and Threats were identified by Council's appointed citizen's advisory board, EVSAG.

**Strengths:**

- Geographic location
- Knowledgeable/involved/informed community
- Active cultural community
- Great public Services

**Weaknesses:**

- Budget cuts to higher education
- Higher cost of land and employment base
- Jobs
- Competition between local governments
- Barriers to redevelopment within the City
- Global issues (i.e. massive deficit/interest)
- Infrastructure and environmental issues
- Lack of diversity

**Opportunities:**

- Branding Fort Collins
- Encourage redevelopment
- Create a culture of entrepreneurship in Fort Collins
- Attract more business capital
- Leverage our resources

**Threats:**

- Impacts of growth
- Globalization
- Shortfall of funding for public services and facilities
- Attitudes

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# Strategy One: Diversify the Economy

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The following are the recommended initiatives that will help the City diversify the local economy. These initiatives are focused on identifying new opportunities for primary job creation, leveraging our unique Fort Collins brand in marketing the community, and evaluating opportunities for diversification of the City revenue sources.

## 1A: Target Industry/Clusters Study

The City's target industry study will identify which kinds of businesses will thrive in Fort Collins given our unique community assets and unique lifestyle. The target industry study will identify 4-6 key industry clusters that will provide the focus for business retention and attraction activities. The findings of the study will be integrated within the economic gardening initiative and/or business retention efforts.

The target industry study is underway and will be completed in late summer of 2006. This initiative is being lead by Advance Planning with support from the Economic Advisor. Following City Council review and adoption, the target industry study will be implemented beginning this Fall/Winter of 2006.

Budget: \$86,000 included in the 2006 budget.

## 1B: Community Branding Effort

The City has a unique identity that can be challenging to communicate. In addition, there are numerous organizations that have worked to create their own identity and brand which can send a confusing message to visitors, community members, and businesses. The branding initiative is designed to identify those unique aspects of Fort Collins and to strive to consistently communicate our unique brand.

The branding effort is underway and is a collaboration of the City, Chamber of Commerce, Colorado State University, the Convention & Visitors Bureau, Arts Alive, the Downtown Development Authority, and the Downtown Business Authority. This initiative is being lead by the City of Fort Collins and is scheduled to be completed in the winter of 2006.

Budget: \$80,000 included in the 2006 budget.

## 1C: Develop Sales Tax Analysis Tool

Fort Collins is currently a net sales tax importer from the region. The City needs to develop tools for the ongoing analysis and reporting of retail sales and update the strategy and approach to improve retail sales. This analysis will focus on where sales tax is "leaking" and how to best position Fort Collins retail base for success and stability. With the significant increase in regional retail opportunities, it is essential that the City develop capabilities for tracking its position in the Northern Colorado retail economy.

City staff has made an electronic linkage from the Sales Tax computer program to the Geographic Information System to better analyze sales tax trends and issues. In addition, Finance and the City Manager's Office are coordinating an assessment of sales tax collections by industry classification to better understand the relative sales tax strengths and



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opportunities for Fort Collins. The ultimate product of this analysis will be a series of steps the City can take to enhance/improve its sales tax base.

Budget: none.


### **1D: Develop the Foothills Mall Redevelopment Plan**

The redevelopment of Foothills mall is the single most important retail redevelopment initiative within the City. Significant effort will be put into encouraging and facilitating the redevelopment effort. It is anticipated that most effective manner for the City to assist in the redevelopment process is through the creation of an Urban Renewal Authority district utilizing tax increment financing (TIF). An Urban Renewal Authority can be established through action of the City Council.

City staff is currently updating an Authority formation plan that was created in the past in anticipation of bringing this issue before the City Council in the Fall/Winter of 2006. Advance Planning is leading this initiative with support from the Economic Advisor.

Budget: this initiative is included as part of the overall Urban Renewal Authority (URA) management offer, total budget for ongoing URA administration is \$131,000.

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## Strategy Two: Be Proactive on Economic Issues

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The following are the recommended initiatives that identify opportunities the City has for playing a more proactive role in the economic health of the community.

### 2A: Implement a Biennial Economic Action Plan Revision Process

An essential role of the City Council is to provide ongoing input into the updating of the City's Economic Action Plan. It is recommended that this updating process coincide with the biennial budget process to ensure that to the extent necessary, items that support the City Council's economic health strategies are funded in the budget process.

It is recommended that the updating process for the Economic Action Plan begin in the summer of 2007 for the 2008 – 2009 budgeting process. As part of the updating effort in 2007, the City Council will be able to evaluate the relative successes and shortcomings of the prior year's economic action plan, integrate citizen survey data into the process, incorporate community/business outreach data into the process, and utilize the Fort Collins Economic Index data to refine the strategy and approach.


Budget: none.

### 2B: Create a Staff Economic Lead Team

The Economic Lead Team provides the ongoing forum for implementing organization-wide strategies for promoting the City's economic health initiatives. The Lead Team model is representative of the City's strategy for implementing various economic health related initiatives – there are resources spread out throughout the organization – no one person or Service Area has all the resources necessary to be successful. The Lead Team has responsibility for the following:

- Engaging in ongoing strategy of Economic Health – provide the Service Area perspective
- Coordination of internal and external projects – address resource questions, priorities, scheduling issues
- Address policy and management issues with regards to implementation of the Economic Action Plan
- Commit to effective communication and coordination
- Provide input to the annual work plan prior to the budgeting process
- Advocate for the strategies and projects of the Plan in the budget process
- Provide direct feedback to the Economic Advisor

The City's Economic Advisor plays an important role in providing overall leadership for addressing economic health issues through the City Manager and the City Council. The following is a list of the essential responsibilities of the Economic Advisor:

- Operationalize and implement the City's Economic Vision and Values
  - Develop and execute the Economic Action Plan
  - Coordinate the activities of EVSAG
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- Actively manage the agenda and business of the Economic Lead Team
  - Be the “face” of the organization for economic health issues
  - Coordinate the ongoing activities of the City related to Economic Health
  - Communicate broadly the plan and successes internally and externally
  - Coordinate with varying stakeholder groups
  - Identify opportunities to focus department initiatives and actions to support economic health
  - Identify, maintain, interpret, and report on key economic and financial trends – data analysis and interpretation
  - Identify barriers to successfully implementing an overall economic health program

Lead Team members include:

- City Manager
- Deputy City Manager
- Economic Advisor
- Communications Manager
- Community Planning and Environmental Services Director
- Advance Planning Manager
- Advance Planner
- Finance Director

The Lead Team has been formed and is operational.

## **2C: Improve Sales Tax Licensing Processes**


Initiating a sales tax license in Fort Collins is most often the first time a new business comes in contact with the City. This critical first interaction offers the opportunity to create a positive first impression and the opportunity to effectively document the nature of the business for reporting and analysis of businesses trends.

Staff is analyzing how this process currently works in efforts to make the process more user friendly and easy to understand. Finance staff is now reporting on a monthly basis new companies that start up and the Economic Advisor is reviewing this information and making contact with selected new businesses that fall within the initial targeted industries.

The Finance Department staff, Economic Advisor and Communications staff are involved in this initiative. Recommended changes to the process will be implemented in the Fall of 2006.

Budget: none.

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## **2D: Identify Improvements in Development Review Process/Barriers in City Development Codes**

The City Council identified the need to reach out to development related businesses in Fort Collins to gain their perspective on doing business in the City and if there are development code or development process issues that may need to be addressed. City staff has organized a series of focus groups for developers, brokers, real estate agents, architects, engineers, land planners, and others to gain their perspectives.

City staff will present the findings and recommendations to the City Council in August. Implementation of recommended solutions will also be presented. Staff will also review the Zucker report completed in 2005 to see if there may be high value recommendations from that study that have not yet been implemented to this point.

This initiative has been lead by Current Planning and the City Manger's Office.

Budget: none.

## **2E: Develop a Communications Strategy and Plan for Economic Health Issues**

The City engages in numerous activities and programs that support the business community. Historically, the City has not focused a great deal of effort in communicating with the business community – there is an opportunity to significantly improve the manner in which the City communicates with businesses. One of those opportunities is through an enhanced web site. The City's website is a wealth of information for the Community. However, there is a lack of business focused resources available for existing and prospective businesses. Staff created a business section of the web site ([www.fcgov.com/business](http://www.fcgov.com/business)) and has been adding materials to the site. As part of a broader web site re-design effort, further improvements will be made to the site. An element of the communications plan is to provide regular briefings to the City Council on economic health activities. It is recommended that quarterly updates be provided at Council work sessions.

The broader communications strategy will map out the steps to take to improve overall communications with the business community. This initiative is being lead by the Economic Advisor and the Communications staff with support from Advance Planning.

Budget: \$60,000 included in the 2006 Budget.

## **2F: Coordinate Infrastructure/Capital Projects that Strategically Support Economic Health**

The City invests significant amounts of funding for infrastructure that supports a healthy economy. This initiative will focus on identifying those projects that specifically support economic health activities. The goal is to focus the City's limited capital resources on projects that assist in sustaining a healthy economy. As part of the 2007 budget update/exceptions process staff will provide an analysis of proposed projects and their relationship to supporting economic health.

This initiative will be lead by the Economic Advisor.

Budget: none.

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## 2G: Develop a Fort Collins Community Index

A key ongoing responsibility of the Economic Advisor is being able to track how the Fort Collins economy is performing. Currently, there is no one source of economic data that is reported regularly to the City Council for review to understand if the City's economy is responding to varying strategies and programs. The Fort Collins Index will be created to foster an ongoing discussion of community economic health. The City participated in the funding of a regional economist to be housed at Colorado State University in 2006. The City will work with the regional economist to outline an overall community index, similar to one created in the Silicon Valley in California, which can be found at the following site:

<http://www.jointventure.org/publications/index/indexofsiliconvalley.html>.

This initiative will be lead by the Economic Advisor and Advance Planning with support from Colorado State University.

Budget: none.

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## Strategy Three: Build Partnerships

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The following are the recommended initiatives that will help the City build partnerships to with local and regional organizations to further enhance the region's economic health. One of the key outcomes from the development of partnerships is to minimize duplication of effort between organizations and to assign primary responsibility for ongoing work with the appropriate parties.

### 3A: Inventory Organizational Resources/Programs/Services Related to Economic Health

The City of Fort Collins alone cannot create an economically vital and sustainable community. The City must seek to forge strong community partnerships with existing entities and emerging business clusters. Our citizens, business community, academic institutions, regional government bodies, and the community at large, must join in and support the process. As a beginning point the City should strive to identify and better understand our existing partnerships in order to avoid duplication, promote efficiency, improve the return on public investment and build stronger collaborations. Colorado State University has volunteered to coordinate an effort aimed at identifying overall economic development resources and creating an inventory of available programs and services.

Currently, there are several partnerships currently underway, including:

- 3/4Q CSU/Downtown Connections Plan – in partnership with the Community Foundation
- 3/4Q – Update North College Corridor Plan – in partnership with the North College Business Association
- 2007 – So. College Corridor Plan – related to potential annexation
- 392 Interchange Improvement Plan – in partnership with the City of Windsor

Budget: none.

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## Sample Summary of Community Partnerships for Economic Health

Once an overall inventory of activities and partners has been identified, a summary table similar to the following sample will be developed that quickly and easily shows how different partners support varying aspects of the City's economic health initiatives. The following is a sample of how a partnership matrix might look like when completed:

Partner Organizations	Business Retention	Business Attraction	Marketing	Economic Modeling	Economic Gardening	Economic Strategy	Small Business Development	Downtown Development	Research & Development	Business Incubation	Business Incentives	Housing	Transportation	Workforce Development
City of Fort Collins	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Larimer County	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
State of Colorado	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Colorado State	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
City of Loveland	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Front Range	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Technology Incubator	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Northern Colorado EDC	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Chamber of Commerce	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Downtown Development Authority	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Downtown Business Association	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Convention and Visitors Bureau	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Business Development Center	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Department of Transportation	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙

### 3B: Develop Approaches for Sustaining and Growing Federal Government Employment in Fort Collins

The City of Fort Collins has significant numbers of Federal employees living and working in the community. The Federal agencies that provide employment opportunities in Fort Collins provide essential employment and support for the Bio science and Agri-science industry sectors. Sustaining and growing these jobs over time will take a partnership between the City, CSU, and Federal agencies. In 2006, an overall inventory of Federal employment in Fort Collins will be conducted. Following the inventory, the City will develop an overall strategy for working collaboratively with these Federal agencies to sustain and grow employment opportunities.

Budget: none.

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# Strategy Four: Balanced Approach – Business Expansion & Attraction

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The following are the recommended initiatives that will help the City create a balanced approach between business expansion and business attraction activities. The goal for staff is to balance the emphasis placed on business outreach and problem solving for existing businesses, fostering programs and services for entrepreneurs and start-up companies, and to initiate focuses business attraction activities.

## 4A: Business Expansion

National statistics on job growth reveal that all net new jobs from 1999 to 2002 were generated by companies with less than 19 employees.<sup>1</sup> The business expansion program will in part focus on assisting smaller existing businesses with their expansion activities in Fort Collins as well as working with larger companies with their expansion efforts. The Economic Advisor will continuously meet with business owners and representatives to assist in their ongoing efforts to sustain their businesses in Fort Collins.

The Economic Advisor will lead this initiative with support from the NCEDC and Chamber of Commerce.

Budget: \$150,000 included in the Economic Program Leadership offer.

## 4B: Business Attraction

The City will continue to rely on the Northern Colorado Economic Development Corporation to lead the efforts nationally and within the state for business attraction. The Economic Advisor will interface with the NCEDC staff on a regular basis to identify possible business attraction opportunities. Business attraction opportunities will be evaluated against the identified targeted industries and clusters identified within that study.

The Economic Advisor will lead this initiative with support from the NCEDC and Chamber of Commerce.

Budget: None in 2006 – but NCEDC investment is recommended for 2007.

## 4C: Identify an Approach for Utilizing Incentives for Business Expansion/Attraction

The City is often asked to participate in a variety of ways regarding the expansion or attraction of a business to the community. Currently, there is no formal approach used to determine if and then how the City may participate in a public/private/partnership using incentives. The staff will develop a conceptual incentives framework for presentation to the City Council in an effort to better define when incentives may be applied. As part of this analysis, staff will include existing incentives such as low power rates, use of tax increment financing, the Manufacturer's Use Tax Rebate program, as well as exploring new approaches such as the HUD 108 business loan program.

This initiative will be lead by the Economic Advisor, Finance, and Advance Planning.

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<sup>1</sup> Bureau of Labor Statistics, Employment Changes from Births, Deaths, Expansions and Contractions by Firm Size, U.S. 1999-2002



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Budget: none.

#### **4D: Implement an Economic Gardening Program**

There are several organizations in Northern Colorado pursuing varying aspects of economic gardening activities: the City, CSU, Larimer County, City of Loveland, City of Greeley, the Downtown Development Authority, the Small Business Development Center, and others.

Economic Gardening is a concept developed in Littleton, CO which attempts to focus economic development activity on supporting and growing local businesses. Economic Gardening works differently in each community and this program has to be tailored to meet Fort Collins unique needs. Staff is working with regional partners to assess how a regionally approached economic gardening program might work. In the Summer of 2006, staff will work with other organizations to see if there are economies of scale and similar missions which could point toward an effective partnership.

The Economic Advisor and Advance Planning are leading this initiative.

Budget: \$160,000

#### **4E: Buildable Lands Inventory**

The staff periodically update the buildable lands inventory which is an inventory of land in differing land use categories that are not yet developed or could be redeveloped. Staff is proposing to update this inventory in 2007. The focus in 2007 will be not only to update the inventory but also assess the buildability of undeveloped or redevelopable lands in the employment zoned areas.

Advance Planning will lead this initiative.

Budget: none.

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