

UNIQUELY FORT COLLINS

Description

The Uniquely Fort Collins (Unique) industry cluster includes businesses whose products and operations contribute to the eclectic, innovative, and high quality of life in Fort Collins. To better understand this cluster, it has been split into three subclusters. The Artistic and Cultural Entertainment subcluster includes firms involved in the production, sales, and education of performance and visual arts, as well as museums, historical sites, and zoos or botanical gardens. The second subcluster, Recreational and Retail Activities, includes retail boutiques with less than 10 employees, sports and recreational activities, and production facilities with consumer interaction (i.e. brewery tours). The third subcluster, Hospitality, includes independent full-service restaurants and traveler accommodations. The full cluster is comprised of 47 six-digit NAICS codes or 39 four-digit, two six-digit, and three eight-digit SIC codes.

National Outlook

There are 9.7 million people employed in 689,700 businesses in the Unique industry cluster in the United States. This does not include sectors that would be unique to other metro areas, but is based on the same industry definition as used in Fort Collins. The Unique cluster will differ from one city to another based on the natural and constructed amenities of the region. Specific to Fort Collins, in addition to general cultural businesses, the microbreweries and independent fine foods manufacturing, both of which offer tours, are highlighted, as well as the outdoor recreational opportunities provided by the nearby mountains and rivers. Elsewhere, local ski resorts, pro-sports teams, or water activities would be included in a town's unique cluster based on their proximity and importance to the community. This cluster, divided into three subclusters, poses as both a basic and non-basic industry. Tourism-related sectors in the arts and culture and the recreational and retail subclusters attract visitors to a region while enhancing the quality of life for current residents.

The hospitality subcluster may add to the eclectic lifestyle of a region with ethnic foods or historical accommodations, but also serves the needs of visitors.

Many existing industries rely on the Unique cluster to attract new businesses, employees, or clients. Unique businesses increase the quality of life of a region. In addition to providing fun or cultural activities, they tend to attract jobs. Regions with high quality of life indexes tend to be hubs for high-tech firms, especially entrepreneurial operations, whose physical location does not necessarily determine their consumer base.

Although the Unique cluster experienced a decline in employment as a result of the 2001 recession, the decline was not drastic. By restricting the retail sector to include only companies with less than 10 employees, the instability of major retailers affected by the recession is not a factor. Employment is expected to increase in this cluster nationally.

Fort Collins Cluster Profile

Fort Collins is an eclectic cultural and recreational center in Northern Colorado. Fort Collins residents enjoy an active outdoor lifestyle, enjoying the 20 miles of trails within the city and the many parks and rivers nearby. The town has numerous independent restaurants and the most microbreweries per capita in the state of Colorado, including New Belgium brewery, the third largest microbrewery in the United States.

Most of the Unique cluster businesses are located in the northern part of Fort Collins, with a high concentration in the Old Town area. The City has already taken measures to enhance the vitality of the Old Town district, especially relating to the Unique cluster. Preserving a strong downtown area enhances the quality of life enjoyed by the City's residents and business community.

In addition to local government and organizations, there is a large presence of federal and state facilities that maintain and improve the aesthetic quality of

UNIQUELY FORT COLLINS

continued

Fort Collins and the active lifestyle that many of the city's residents enjoy.

One of the larger entities is the National Park Service, which maintains the Roosevelt National Forest and works closely with CSU to train students and increase environmental awareness. CSU and Front Range Community College are heavily reliant on the Unique cluster to attract students and faculty to the region. The unique atmosphere of Fort Collins, its vicinity to the mountains, and its eclectic lifestyle help draw over 27,500 students to the two schools each year.

AVERAGE ANNUAL GROWTH, 2001-2005 Fort Collins and the United States Uniquely Fort Collins Cluster

	Number of Businesses	Employment
Cluster		
Fort Collins	1.0%	0.5%
United States	0.9%	0.8%
All Industries		
Fort Collins	1.9%	0.6%
United States	1.7%	0.0%

Sources: U.S. Bureau of Labor Statistics and CO Department of Labor & Employment, Quarterly Census of Employment & Wages.

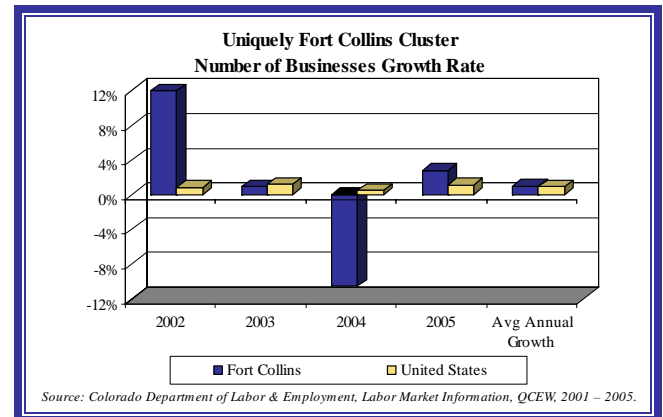
Fort Collins ranks third out of 50 U.S. metro areas of comparable size to Fort Collins in employment concentration for the Unique industry cluster, and fourth for absolute employment. Some of the Unique cluster businesses located in Fort Collins include:

- ◆ Anheuser Busch
- ◆ Bas Bleu Theater
- ◆ Bisetti's Italian Restaurant
- ◆ CooperSmith's Pub & Brewing
- ◆ Fort Collins Brewery
- ◆ Jax Outdoor Gear
- ◆ Mountain Whitewater Descents
- ◆ New Belgium Brewery
- ◆ O'Dell's
- ◆ The Perennial Gardner
- ◆ Sense of Place

The average annual employment growth rate of 0.5% between 2001 and 2005 for the Unique cluster in Fort Collins was slightly less than the national employment growth rate of 0.8% per year for this industry cluster. Industry cluster employment growth in Fort Collins was also below the average annual employment growth rate for all industries of 0.6% during the same period.

Businesses

Nearly 400 Unique businesses were located in Fort Collins in 2005. The number of businesses grew 1.0% per year from 384 businesses in 2001 to 399 in 2005 compared to a 0.9% average annual increase nationally in this industry cluster. Detailed business and employment data for each industry cluster for the four-year period from 2001 to 2005 is provided in Appendix C.



About 64% of Uniquely Fort Collins businesses employ less than 10 people compared to 71% of all businesses that employ less than 10 people in Fort Collins. On the other hand, only 1.5% of the Unique businesses employ over 100 workers compared to 2.1% for all businesses.

UNIQUELY FORT COLLINS

continued

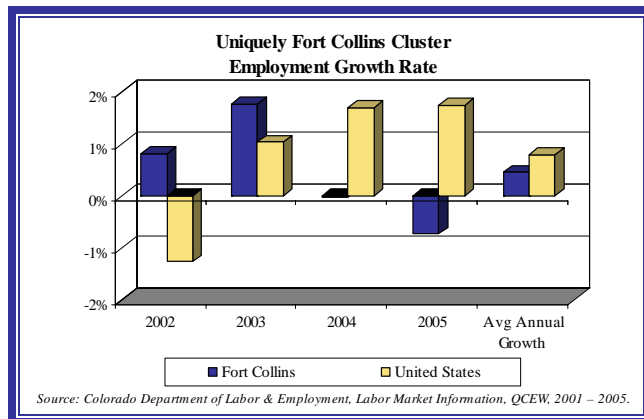
Employment

SUBCLUSTER EMPLOYMENT Fort Collins Uniquely Fort Collins Cluster

Subcluster	Establishments	Employment
Artistic & Cultural	35	327
Entertainment		
Recreation & Retail	153	4,494
Hospitality	211	2,325

Source: Colorado Department of Labor & Employment, Labor Market Information, QCEW, 2005.

The Uniquely Fort Collins industry cluster employed about 7,146 people in Fort Collins in 2005. Employment in this industry cluster comprises about 8.8% of Fort Collins' total employment base compared to a 7.5% concentration nationally. Employment in the Uniquely Fort Collins industry cluster has increased an average of 0.5% per year from 7,018 employees in 2001 to 7,146 in 2005, compared to a 0.8% average increase nationally.



Full Service Restaurants is the largest sector by employment in the Unique cluster and in the Hospitality subcluster with about 55% of cluster jobs and 87% of subcluster jobs in 2005. Breweries is the largest sector in the Retail and Recreation subcluster, employing 39% of subcluster jobs. Fine Art Schools is the largest sector in the Arts and Culture subcluster, employing 29% of subcluster jobs.

Wages

Total industry cluster payroll in Fort Collins was \$143.6 million in 2005. The average annual wage for employees in the Unique industry cluster in Fort Collins was \$20,100 in 2005 compared to \$19,100 nationally for this industry cluster.

OCCUPATIONAL SALARIES Fort Collins Uniquely Fort Collins Cluster

Occupation	Average Annual Salary
Retail Salespersons	\$22,300
Chefs and Head Cooks	\$38,400
Writers and Authors	\$46,840
Arts, Design, Entertainment, Sports, and Media	\$37,710

Source: U.S. Bureau of Labor Statistics, 2005.

Competitive Position

Of the 50 comparable metropolitan areas to Fort Collins, Fort Collins has the third strongest employment concentration and the fourth highest absolute employment in the Uniquely Fort Collins industry cluster. The top ten metropolitan areas in the Uniquely Fort Collins cluster by employment concentration are listed on the following page.

Locational Attributes

Identifying factors important to Unique businesses as they make location decision can provide insight into how the industry cluster can grow through retention and expansion efforts. The Unique cluster relies on the following locational attributes to operate successful businesses:

- ◆ Outdoor lifestyle
- ◆ High quality of life
- ◆ Proximity to revenue-generating customer base

Industry Cluster Insights

Many opportunities and challenges for each industry cluster became apparent in the focus group discussions and throughout the research process. The

UNIQUELY FORT COLLINS

continued

following opportunities and challenges discussion provides insight into growing the Unique cluster in Fort Collins.

Industry Cluster Opportunities

Connection to Higher Education – 27,500 students are enrolled in Colorado State University and Front Range Community College, supplying research facilities, a large labor force, and a large consumer base to local industries. The Uniquely Fort Collins cluster attracts students and professors to the University, and further collaboration should be encouraged by both parties.

Inter-Industry Support – The Uniquely Fort Collins cluster attracts potential employees, new businesses, and new clients to the region, while visitors to other clusters support the Unique cluster. Cross marketing of amenities, both internally and externally, would help to spread the word about the array of attractions found in the area.

Quality of Life – Fort Collins is attractive to employers and employees because of the active outdoor lifestyle enjoyed by residents, quality schools, and balance between large city amenities

and small town comfort. Maintaining this is recommended as a top priority, as quality of life was emphasized as a key reason business leaders located to and remain in Fort Collins.

Industry Cluster Challenges

Lack of Knowledge – Many Fort Collins residents are unaware of the businesses involved in the cluster and the cultural amenities they offer. One research report indicated that a majority of residents in the Harmony Road corridor have never heard of the Lincoln Center in Old Town. Efforts should be made to expand the Uniquely Fort Collins cluster into southern parts of the city while advertising established cluster businesses to unknowing residents.

Identity – Fort Collins has yet to develop a direct and marketable identity, leaving potential visitors unaware of what to find in the City.

Opportunities for Growth

It is important for a community to offer a variety of amenities to its residents and businesses. This enhancement of the quality of life of the area helps

TEN HIGHEST EMPLOYMENT CONCENTRATIONS

Metro Areas

Uniquely Fort Collins Cluster

	Metro Area	Cluster Employment	Employment Concentration	Number of Businesses	Business Concentration
1	Santa Fe, NM	8,258	10.0%	1,195	12.2%
2	Galveston-Texas City, TX	8,807	9.3%	1,462	11.0%
3	Fort Collins, CO	7,146	8.9%	399	8.1%
4	Panama City, FL	6,064	8.7%	794	9.3%
5	San Luis Obispo-Atascadero-Paso Robles, CA	7,555	7.9%	1,587	11.0%
6	Charlottesville, VA	6,174	7.7%	704	8.5%
7	Bellingham, WA	4,025	5.9%	976	8.4%
8	Fayetteville, NC	4,831	5.8%	838	8.2%
9	Chico-Paradise, CA	3,905	5.8%	912	8.7%
10	Brownsville-Harlingen-San Benito, TX	5,237	5.6%	1,113	10.4%
	<i>United States</i>	<i>9,718,534</i>	<i>7.5%</i>	<i>689,659</i>	<i>8.1%</i>

Sources: Colorado Department of Labor & Employment, Labor Market Information, QCEW; Dun & Bradstreet, Marketplace, July-Sept. 2005.

to attract and retain a viable labor force, brings visitors into the community, and helps to create a sense of place for residents.

The Recommendations section near the end of this report provides some general suggestions for enhancing cluster capacity and improving the general business environment. In addition, the following ideas are presented as opportunities for growing this cluster in Fort Collins.

Cluster Status

There already exists in Fort Collins a healthy core of associations emphasizing this cluster or downtown retail and cultural health. The City's support for these groups and their activities is well documented and serves to render the needed information relative to support for the Uniquely Fort Collins cluster.

- ◆ What the City can do is to publicly acknowledge this cluster's status and importance to the community, and encourage linkages between downtown cluster businesses and those from other parts of the community.

Downtown jobs base

While the Unique cluster is certainly not limited to downtown, most of this cluster's businesses are located in the City's downtown area. The vitality of this cluster, then, can be enhanced by increasing the numbers of people who either live or work downtown.

- ◆ Pursue a significant employer (or employers) for downtown Fort Collins locations, using the Downtown Development Authority, Enterprise Zone, and other means at the City's disposal. Develop and publicize an enhanced, performance-based incentive package for primary employers who choose a downtown location. Pursue reputable private developers who specialize in downtown environments to assemble and potentially redevelop properties to be attractive to employers.

Retail Leakage

While retail businesses form only a part of the Unique cluster, attractive retail amenities certainly help to draw visitors to a region, or encourage residents to do their shopping locally – in which case they may be more likely to patronize businesses in the Unique cluster. Therefore, retail leakage – the loss of shopping revenues to retail sites outside the City – is cause for concern.

- ◆ Continue to monitor retail leakage on a regular basis, in order to identify opportunities for unique retail development or underserved consumer bases, and to support public and private efforts to redevelop aging retail sites.

UNIQUELY FORT COLLINS

continued

UNIQUELY FORT COLLINS CLUSTER DEFINITION

NAICS	NAICS Description	SIC	SIC Description
<i>Artistic and Cultural Entertainment</i>			
453920	Art Dealers	5999-1601	Misc. Retail Stores, NEC (Art Dealers)
453920	Art Gallery	7999-9901	Art Gallery, Commercial
611610	Fine Arts Schools	7911	Dance Studies, Schools, and Halls (Dance instructors Professional and Other Dance Schools)
611610	Fine Arts Schools	8299	Schools and Educational Services, NEC (Art, Drama, and Music Schools)
711110	Theater Companies & Dinner Theaters	5812	Eating Places (Dinner Theaters)
711110	Theater Companies & Dinner Theaters	7922	Theatrical Producers (Except Motion Pictures) and Misc. Theatrical Services (Theater Cos., Opera Cos.)
711120	Dance Companies	7922	Theatrical Producers (Except Motion Pictures) and Misc. Theatrical Services (Ballet and Dance Cos.)
711130	Musical Groups and Artists	7929	Bands, Orchestras, Actors, and Entertainment Groups (Musical Groups and Artists or Orchestras)
711190	Other Performing Arts Companies	7929	Bands, Orchestras, Actors, and Entertainment Groups (Musical Groups and Artists or Orchestras)
711310	Promoters of Performing Arts with Facilities	6512-03	Operators of Nonresidential Buildings (Stadium and Arena Owners)
711310	Promoters of Performing Arts With Facilities	7922	Theatrical Producers (Except Motion Pictures) and Theater Operators
711310	Promoters of Performing Arts With Facilities	7941	Professional Sports Clubs and Promoters
711310	Promoters of Performing Arts With Facilities	7999	Amusement and Recreation Services, NEC (State Fairs, etc. With facilities)
711320	Promoters of Performing Arts Without Facilities	7922	Theatrical Producers (Except Motion Pictures) and Theater Operators
711320	Promoters of Performing Arts Without Facilities	7941	Professional Sports Clubs and Promoters
711320	Promoters of Performing Arts Without Facilities	7999	Amusement and Recreation Services, NEC (State Fairs, etc. W/O Facilities)
711510	Independent Artists, Writers, & Performers	7699	Repair Shops and Related Services, NEC (Taxidermists and Antique Repair and Restoration, Except Antique Car Restoration)
711510	Independent Artists, Writers, & Performers	7819	Services Allied to Motion Picture Production (Film Directors and Related Motion Picture Production Services, Independent)
711510	Independent Artists, Writers, & Performers	7922	Theatrical Producers (Except Motion Picture) and Misc. Theatrical Services
711510	Independent Artists, Writers, & Performers	7929	Bands, Orchestras, Actors, and Entertainment Groups (Actors and Actresses)
711510	Independent Artists, Writers, & Performers	8999	Services, NEC (Authors, Artists, and Related Technical Services, Independent)
712110	Museums	8412	Museums and Art Galleries (Except Historic and Heritage Sites)
712120	Historical Sites	8412	Museums and Art Galleries (Historic, Heritage Sites)
712130	Zoos and Botanical Gardens	8422	Arboreta and Botanical or Zoological Gardens (Except Nature Parks or Reserves)
712190	Nature Parks and Other Similar Institutions	7999	Amusement and Recreation Services, NEC

UNIQUELY FORT COLLINS

continued

<i>Recreational And Retail Activities</i>			
311330	Convectional Manufacturing from Purchased Chocolate *	5441-9903	Candy, Nut, and Confectionary Stores (Chocolate Candy Stores, Preparing on Premises) *
311513	Cheese Manufacturing *	2022	Natural, Processed, and Imitation Cheese *
311811	Retail Bakeries *	5461	Retail Bakeries (Bread, Cake, and Related Products Baked and Sold on Premises)
312120	Breweries *	2082	Malt Beverages (Except Malt Extract) *
442110	Furniture Stores **	5712	Furniture Stores (exc. Custom Furniture, Cabinets) **
442299	All Other Home Furnishing Store s**	5719	Misc. Home Furnishing Stores (exc. Pottery and Crafts Made & Sold on Site, Window Furnishings) **
442299	All Other Home Furnishing Stores **	7699	Repair Shops and Related Services **
448110	Men's Clothing Stores **	5611	Men's and Boys' Clothing and Accessory Stores **
448120	Women's Clothing Stores **	5621	Women's Clothing Stores **
448130	Children's and Infants' Clothing Stores **	5641	Children's and Infants' Wear Stores **
448140	Families Clothing Stores **	5651	Family Clothing Stores **
448150	Clothing Accessories Stores **	5611	Men's and Boys' Clothing and Accessory Stores **
448150	Clothing Accessories Stores **	5632	Women's Accessory and Specialty Stores **
448150	Clothing Accessories Stores **	5699	Misc. Apparel and Accessory Stores **
448190	Other Clothing Stores **	5699	Misc. Apparel and Accessory Stores **
448210	Shoe Stores **	5661	Shoe Stores **
448310	Jewelry Stores **	5944	Jewelry Stores **
448320	Luggage and Leather Stores **	5948	Luggage and Leather Goods Stores **
451110	Sporting Goods Stores **	5941	Sporting Good Stores and Bicycle Shops
451120	Hobby, Toy, and Game Stores **	5945	Hobby, Toy and Game Stores **
451130	Sewing, Needlework and Piece Good Stores **	5949	Sewing, Needlework, and Piece Good Stores **
451140	Musical Instruments & Supplies **	5736	Musical Instrument Stores **
451211	Book Stores **	5942	Book Stores **
451220	Prerecorded Tape, Compact Disc and Record Stores **	5735	Record and Prerecorded Tape Stores **
452990	Other General Merchandise Stores **	5399	Misc. General Merchandise Stores **
453110	Florists **	5992	Florists **
453210	Office Supplies & Stationary Stores **	5943	Stationary Stores **
453220	Gift, Novelty, and Souvenir Stores **	5947	Gift, Novelty, and Souvenir Stores **
453310	Used Merchandise Stores*	5932	Used Merchandise Stores (Except Pawn Shops) **
561520	Tour Operators	7999-76	Tour Operators
611620	Sports and Recreation Instruction	7999	Operators of Nonresidential Bldgs (Stadiums, Arenas)
713990	All Other Amusement and Rec. Industries	7999	Amusement and Recreation Services, NEC (No Organized Camping, Food Service, etc.)
721214	Recreational and Vacation Camps (Except Campgrounds)	7032	Sporting and Recreational Camps and Organized Outdoor Adventure Retreats
<i>Hospitality</i>			
721110	Hotels and Motels (Except Casino Hotels)	7011	Hotels and Motels (Except Casino Hotels)
721191	Bed and Breakfast Inns	7011	Hotels and Motels (Bed and Breakfast Inns)
721199	All Other Traveler Accommodations	7011	Hotels and Motels (Except Hotels, Motels and Bed and Breakfast Inns)
722110	Full-Service Restaurants	5812	Eating places (Full Service Restaurants)

*Includes businesses with customer interactions (i.e. tours) **Includes businesses with ten employees or less

ACKNOWLEDGMENTS

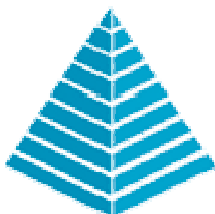
This study was a collaborative effort of the City of Fort Collins and the consulting team of Development Research Partners and R&M Resource Development. The consulting team acknowledges and appreciates the numerous hours that the City staff devoted to this project. In particular, the following individuals are to be commended for their efforts in coordinating, reviewing, guiding, and generally assisting with this study: Timothy Wilder – Project Manager, City Planner; Mike Freeman – Economic Advisor; Greg Byrne – Director of Community Planning and Environmental Services; and Joe Frank – Advance Planning Director.

About the Consulting Team:



Patricia Silverstein, President
Development Research Partners, Inc.
10184 West Belleview Avenue, Suite 100
Littleton, Colorado 80127
303.991.0073
patty@developmentresearch.net
www.DevelopmentResearch.net

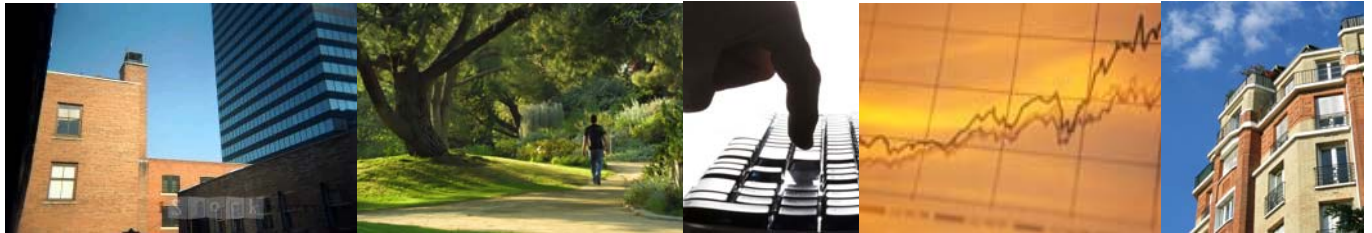
Development Research Partners specializes in economic research and analysis for local and state government, and private-sector businesses. Development Research Partners combines extensive experience in real estate economics and economic development to provide clients with reliable consulting services in four areas of expertise: economic and demographic research; industry studies; fiscal and economic impact analysis; and real estate economics - preparation of market data and analysis for prospective real estate investments.



R&M Resource Development

Susan Blansett, CEcD, Principal
R&M Resource Development
Post Office Box 1466
Golden, Colorado 80402
303.475.2718
sblansett47@msn.com
www.rmresource.com

R&M Resource Development specializes in customized economic development program strategy, organizational development and fund-raising. R&M's principals combine more than 50 years of experience in economic development at state, regional, and local levels.



Economic and Demographic Research

Industry Studies

Fiscal and Economic Impact Analysis

Real Estate Economics

10184 West Belleview Avenue
Suite 100
Littleton, Colorado 80127
www.DevelopmentResearch.net
303.991.0070