

WORK SESSION AGENDA ITEM SUMMARY

City Council



STAFF

SeonAh Kendall, Economic Health Director
Shannon Hein, Economic Health Manager

SUBJECT FOR DISCUSSION

From Lead to Location: Managing the Economic Development Pipeline and Business Retention and Expansion (BRE) Framework

EXECUTIVE SUMMARY

The purpose of this item is to give Council an overview of how the Economic Health Office attracts new businesses to Fort Collins (Prospect Pipeline) and supports the businesses already here (Business Retention and Expansion or BRE). The session will cover the City's process for evaluating and advancing business prospects, recent wins and learnings, and a framework for matching City resources to business needs at the right time.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What kind of issues/challenges raised by local businesses should be elevated to Council? What signals or trends help guide your policy considerations
2. Council often meets with businesses. How does Council and staff share insights gathered from business engagement?
3. What other information would help Council explain the economic development approach?

BACKGROUND / DISCUSSION

The Economic Health Office (EHO) advances economic health through two interconnected areas of focus: primary employer attraction, retention, and expansion, and small business support. These are not separate strategies as primary employers bring new net dollars into the community that circulate through local and neighborhood businesses, while a strong local business base enhances the quality of life that attracts and retains employers and their workforce.

Fort Collins has invested in this work for over a decade. Proactive primary employer BRE has been a City priority since the Economic Health Office was formed in 2012, while small business support was formalized in 2017. Today, EHO's work spans the full business lifecycle, from prospect to location, and from a businesses' first day to long-term stability.

PART I: FROM LEAD TO LOCATION – THE PROSPECT PIPELINE

Economic development can be a competitive and time-consuming process. Fort Collins does not pursue every prospect but rather evaluates opportunities for alignment with the City's economic health strategy, site and utility readiness, workforce needs, and overall community benefit before committing staff capacity and public resources.

This work is guided by both confidentiality and a regional Code of Ethics. Prospect negotiations are sensitive by nature whereas a premature disclosure can jeopardize a project, disadvantage the City in negotiations or cause harm to businesses that have not yet made a public decision. Projects are often presented under code names to adhere to confidentiality protocols. Our Code of Ethics governs how we interact with our surrounding communities with the ethos that moving a business and its employees from a nearby community is not a net benefit for the region and simply displaces the business rather than benefits.

Why It Matters

Primary employer attraction and retention is one of the most direct levers the City has for creating quality jobs, supporting upward economic mobility, and strengthening the sales and property tax base.

How the Pipeline Works

- Prospects (potential businesses) originate through direct outreach from the business to EHO, regional partnerships, state referrals, broker relationships and targeted industry outreach.
- EHO evaluates each prospect against feasibility criteria including site availability, utility capacity, workforce alignment and strategic fit for Fort Collins. If it is a fit, staff formally responds to the requirements needed of the business.
- Active projects require coordination across City departments and regional partners, including utility and water partners.

What It Takes to Get a Project Across the Finish Line

Successful projects depend on multiple conditions:

- Site Readiness – available, appropriately zoned land with infrastructure in place or developable within the project timeline
- Utility Capabilities – adequate power, water, and broadband capacity to support the project's operational needs.
- Workforce Availability – access to a skilled workforce with opportunities for partnership with educational institutions and regional training programs.
- Political Will and Support – alignment of community goals around the needs, timeline, and scope of the project.

Prospect Sheet

Included as an attachment to this Agenda Item Summary is a prospect table that outlines projects, their economic impact on the community, including their capital expenditure (CapEx or investment amount), and potential jobs added if known.

PART II: BUSINESS RETENTION AND EXPANSION (BRE) FRAMEWORK

Why BRE Matters

Business retention and expansion is a core principle of the Economic Health Office, and part of EHO's

economic health philosophy. The term, “Grow Your Own” stems directly from supporting existing businesses. The Economic Health Office focuses on BRE because:

- Approximately 80% of net new jobs in most communities come from existing businesses, not new attractions.
- It is more cost-effective to retain and grow what Fort Collins has than to recruit a replacement.
- Proactive engagement builds trust and relationships that allow the City to hear about challenges early, before they become a crisis.
- BRE activity generates market intelligence that informs policy, processes, and resource allocation.
- BRE supports a positive business climate and shapes the perspective businesses have on the City and community, influencing how Fort Collins is perceived by those considering locating, investing or living here.

Our Approach: Proactive, Signal-Based, and Open-Door Engagement Modes

Fort Collins is home to thousands of businesses across industries, sizes, and stages. While all businesses are important to the health of our community, not every business needs or wants to engage with the City organization. City departments are working to engage intentionally. EHO often acts as a project manager on business visits, using different approaches depending on business needs, signals and potential community impact. The goal is to be able to match the right type of engagement at the right moment needed.

Engagement modes are not permanent labels and businesses can move between them based on changing circumstances. A business in Strategic / Proactive mode facing an ownership transition may temporarily need Signal / Reactive engagement and an Open-Door / Passive business that reaches out with a permitting challenge shift into Signal Mode. This flexibility is what makes the model realistic and responsive.

The BRE framework moves away from a static, list-driven model toward a dynamic approach organized into three engagement modes:

Engagement Mode	Description	Example Businesses
Strategic / Proactive	High-touch, often senior-led engagement for businesses with great community impact. Monitored proactively even if the business declines outreach.	Primary employers; legacy or family-owned
Signal-based / Reactive	Need-driven support when a business shows signals of change, risk, or opportunity, triggered by what’s happening, not their size.	Businesses navigating lease pressure, expansion, workforce challenges or compliance navigation.
Open-Door / Passive	Broad, scalable access to City resources for businesses that benefit from tools and navigation rather than individualized case management. Proactive outreach may be triggered by news, milestones, or challenges surfaced by staff or our partners.	Entrepreneurs, startups, solo operators, new businesses

Partnerships

BRE is not done alone by the Economic Health Office. Effective business support requires coordination across City departments and with external organizations.

- **Coordinated Visits:** EHO conducts joint business visits with Fort Collins Utilities, Capital Projects, and City Manager's Office, to align infrastructure planning with business growth needs.
- **Regional Coordination:** EHO participates in a regional BRE group with Larimer County and the Fort Collins Area Chamber of Commerce among others and collaborates with both on shared business outreach when appropriate. This coordination reduces duplication, surfaces business signals earlier, and allows partners to support businesses together rather than in parallel.

What Success Looks Like

BRE success should be transformational, not transactional. Relationships built over time help create the conditions for early intervention, honest sharing from the businesses, and long-term stability of the community.

In 2025, EHO's BRE activity included:

- Approximately 740 businesses/entrepreneurs visited through:
- BRE, Multicultural Business & Entrepreneur Center (MBEC), and Capital Projects Business Liaison

Through this outreach:

- Made over 1,000 resource referrals to city, state, and general partners
- Conducted over 200 appointments through MBEC

High-touch, in-person visits take more time than a phone call or email. The depth of these conversations is what surfaces real-time trends and emerging challenges and opportunities the City might otherwise miss.

EHO will report quarterly with narrative summaries giving Council context on what businesses are experiencing and how the City is responding.

NEXT STEPS

Following Council discussion, staff will:

- Incorporate feedback into future reporting and engagement approaches
- Share quarterly BRE reporting for Q1 2026

This session connects to Council's January 2026 and upcoming April 2026 Work Session on business incentive policy. The prospect pipeline and BRE framework are the operational complements to the proposed incentive tools. Staff will continue presenting these as an integrated economic development strategy.

ATTACHMENTS / LINKS

1. Economic Health Prospect Pipeline Summary
2. Economic Development Pipeline and BRE Framework Presentation