Economic & Planning Systems, Inc.
The Economics of Land Use

FORT COLLINS RETAIL STRATEGY

DRAFT REPORT

Prepared for:
City of Fort Collins

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1. Introduction and Summary of Findings

This report summarizes the analysis and conclusions of Economic & Planning Systems (EPS) regarding retail development conditions and opportunities in the City of Fort Collins, and recommendations for future growth, development, and revitalization.

Background

The City of Fort Collins is working on two City Council priority efforts: the City's 15-minute City initiative and a revision of the land use code. With regard to these efforts, the City is lacking direction on how to address retail needs and gaps within the city. This lack of clarity is due to the absence of a larger citywide strategy for retail development in the community. The last citywide evaluation of supportable retail demand and sales flows was completed more than a decade ago related to the Midtown Corridor Redevelopment Study and the subsequent Foothills Mall redevelopment effort. More recently, EPS has evaluated retail demand and land use strategies at the site-specific level for the Peakview and Montava developments in the northeast part of the city; however, these efforts focused more narrowly on the need for and supportability of grocery stores to serve their immediate trade areas.

In addition to an update to the analysis of retail sales flows, the City is also updating its land use designations affecting retail and commercial uses that were last examined at a citywide scale during the 2019 CityPlan update and is seeking guidance on appropriate modifications in light of changes in development patterns. There have been significant changes to the viability of retail centers and stores over the last five years due to changing shopping patterns, including continuing increases in e-commerce sales post the COVID-19 pandemic, continued retail chain store closings and consolidations, and new competition from centers and stores in the city's surrounding suburbs.

City staff have identified a few major questions to address within the development of a comprehensive retail strategy to help guide their efforts, including the following:

- What is the condition, performance, and viability of existing retail nodes and centers within the city? What opportunities are there for revitalizing and improving underperforming properties and what land use code changes are needed to address potential issues or opportunities?
- What opportunities are there for supporting the retail needs for new neighborhoods being developed on the northern and eastern edges of the community and what opportunities are there to capture retail sales from residential growth in neighboring communities?

- What opportunities are there for supporting retail needs in new neighborhoods being developed on the eastern edge of the community and what opportunities are there to capture retail sales (and related sales taxes) from residential growth in neighboring communities?

Scope of Work

This report is organized into five sections following this Introduction and Summary of Findings:

- Chapter 2 evaluates growth and development trends affecting retail development sales and spending in the city and in the larger Regional Trade Area.
- Chapter 3 reviews retail sales trends over the last 15 years at the national and local level including changes in sales by sector and the impact of the growth of e-commerce sales on bricks and mortar stores.
- Chapter 4 provides an estimate of retail spending potentials in the city and larger Regional Trade Area associated with new growth over a 10-year planning horizon.
- Chapter 5 presents EPS's categorization of existing commercial centers and nodes in the city and an analysis of the condition and performance of each category and center.
- Chapter 6 outlines recommended strategies and tools for addressing existing retail center conditions, new retail center development, and targeted retail store recruitment.

Summary of Findings

1. ***The City of Fort Collins is still growing, which provides opportunities for additional retail/commercial development and for strengthening existing centers.***

   Fort Collins accounted for 40 percent of the county's household growth between 2010 and 2020, dropping to 27 percent since 2020. Although its share of the region's growth has slowed, it is still expected to continue to add housing units (and households) over the next decade due primarily to growth in the city's northeast quadrant in new communities including Montava, Bloom, and Peakview, with capacity for an estimated 10,000 additional housing units. This expected growth will support new neighborhood centers as well as spending at existing and possible new regional nodes.

2. ***Fort Collins has lost a share of its regional retail draw to competition from other cities in the northern front range that are building retail centers in the I-25 corridor.***

   Over the last 15 years, Fort Collins has added approximately 90,000 square feet of new retail/commercial space. By contrast, Johnstown has added 1.2 million square feet, followed by Loveland with 311,000 square feet and Windsor and Timnath with more than 100,000 square feet each. Much this growth is at I-25 interchanges that allows for greater access and market penetration than centers in Fort Collins, which are located outside of the I-25 corridor.

   Taxable sales have been growing at a healthy 6 percent annual rate since 2012; which has been driven largely by e-commerce sales that are accounting for an increasingly larger share of the total. The retail category with the largest growth during this period was Miscellaneous Retailers (including most non-store retailers), which grew by an average annual rate of 16.0 percent. By contrast, several traditional brick and mortar sectors underperformed including general merchandise stores at 3.8 percent annual growth, sporting goods stores at 0.9 percent, electronics stores at 0.9 percent, and furniture and home furnishings at 3.9 percent. These lower than average sales tax growth rates for these brick and mortar categories indicates a declining share of regional sales.

3. ***The City has not been capturing its share of new retail development generated by growth in the city's surrounding trade area as a greater share of retail development has been occurring outside of the city.***

   As of 2025, Fort Collins accounts for approximately 50 percent of the retail type space in Larimer County and nearly 95 percent of the space in its Regional Trade Area. However, the City's dominance is changing; from 2010 to 2025, the portions of the Trade Area outside the city added nearly 560,000 square feet of space, which was nearly twice the city total. Specifically, development in Timnath at I-25 and Harmony Road has captured a large portion of new retail development potential in the Trade Area.

4. ***Over the next 10 years, Trade Area household growth is estimated to generate an additional $508 million in retail spending and support a net increase of approximately 405 million square feet of retail store space.***

   The biggest question is how much of this growth can be captured within the city as opposed to within the surrounding trade area outside of the city. Based on residential growth patterns and trends, EPS estimates that approximately $218.4 million, or 43 percent of this growth will be from Fort Collins residents, primarily in the northeast quadrant of the city. This expenditure growth will support an estimated 404,600 square feet of net new retail space. The City should ensure there are development sites to capture at least the retail demand driven by new residents to the city, and also has the opportunity to capture inflowing sales from new households built on the city's edges.

5. ***The City has seven regional retail nodes that are the strongest and most valuable retail locations in the city and primarily contain retail businesses that have a citywide or larger appeal/draw.***

   The seven regional nodes range from 344,000 to 1.5 million square feet. Downtown Fort Collins is included, but is a unique area, and accounts for 1.3 million square feet. These regional nodes are the strongest retail areas in the city and have relatively low vacancies; however, they are increasingly challenged by the growth of regional centers outside the city in the surrounding Trade Area. The City should focus efforts on supporting the long-term health and adaptation of these nodes.

6. ***The City has seven neighborhood centers anchored by grocery stores that should serve as the focus of the City's 15-minute City efforts.***

   These Neighborhood Centers are the central locations that provide convenience goods and services to their surrounding neighborhoods. The average size of these centers ranges from a little less than 100,000 square feet to around 300,000 square feet of commercial space and are relatively healthy with low vacancies. The future health of these centers is dependent on the viability of the grocery store anchor. The City should look to reinforce these areas as they are essential to providing more neighborhood-oriented retail areas that have long term viability due to their anchor uses.

7. ***There were an additional 11 neighborhood retail nodes or strips identified with varying levels of quality and health. These areas are less valuable from an overall economic/fiscal health perspective and could be areas to allow for redevelopment into higher density uses; however, these areas are often the lowest cost spaces for new, local businesses to locate in.***

   Some of these locations contain local neighborhood and community-oriented businesses while others contain a more disparate mix of service commercial uses. Their greatest assets are proximity to surrounding neighborhoods. There are opportunities for re-tenanting of existing spaces and for redevelopment and infill to improve the conditions of these spaces and generate additional demand (from new households) for neighborhood compatible and neighborhood serving businesses.

8. ***The three primary areas to focus efforts on attracting retail businesses over the next 10 years are existing regional nodes in the city, a new regional location along I-25, and in emerging Neighborhood Center locations in the northeast portion of the city.***

   The City should support plans for a retail/commercial site that can accommodate 150,000 to 200,000 square feet of retail development along the I-25 corridor to maximize opportunities for attracting highway adjacent retail uses and for capturing retail sales tax revenues from residents of the fast-growing suburbs to the east. Also, the majority of the projected growth in the city is in the northeast quadrant; EPS therefore supports the City's designation of two Neighborhood Centers to address estimated demand; one at Montava and one at Bloom/Peakview.

9. ***The City should consider changes to its zone districts regulating commercial uses to place a greater focus on maintaining the opportunity for retail uses in the city's Regional Nodes–which are the best retail locations in the city–and the city's Neighborhood Centers–which are important elements of producing a 15-minute city.***

   The City currently has five primary zone districts that regulate retail uses. The City should consider changes to these districts to reorient a commercial zone district to support regional nodes. Consider the application of a regionally oriented zone district for Regional Nodes that is distinct from other retail areas and utilize the application of the zone district to create greater geographic definition of nodes. The City has a Neighborhood Center district that works well to support these types of areas. All of the commercial districts have broad allowances for residential uses, with little differential between districts. The City should consider changes to zone district standards that focus on maintaining the opportunity for retail/commercial uses if redevelopment occurs by limiting allowances for residential uses in higher value locations/ centers. The concern is as redevelopment pressures grow to meet housing demand, high value retail locations may be lost through redevelopment. Greater definition of important location retail locations (i.e., Regional Nodes and Neighborhood Centers) through zone designations and some limitations of residential uses can prevent loss of valuable commercial land while still allowing for introduction of residential and reinvestment in centers.

10. ***The City has opportunities to attract and recruit new retailers and higher sales tax generating uses to the market to fill vacant storefronts, to shore up struggling nodes and centers, and to anchor new retail centers.***

    The opportunities for each major store category were identified.

    - Grocery and other convenience stores – Two grocery store chains, Aldi and WinCo, are moving into Colorado and would be strong candidates to anchor neighborhood centers. Sprouts and Trader Joe's are growing chains that have a smaller presence in the city but could fill the void of potential closure of underperforming Safeway/Albertsons locations. Total Wine and More, a national chain liquor superstore, and similar chains are also larger store formats that can help fill major vacant spaces.

    - General merchandise and home furnishings – Department stores are continuing to struggle with many chains closing stores. Opportunities exist for specialized home furnishings businesses including World Market, Crate and Barrel, and RH.

- Sporting Goods and Outdoor Recreation – Fort Collins is high on the radar of outdoor recreation companies and sporting goods retailers in general. Three growing store chains with opportunities for Fort Collins include Dick's House of Sports, Rally House, and Going, Going, Gone.
- Specialty Stores – The most successful specialty stores are incorporating omnichannel strategies and enhanced in-store experiences. Arc'Teryx, ZARA, and Vuori are fast growing brands expanding in Colorado and potential targets for Fort Collins.
- Entertainment Retail – Entertainment retail is a growing segment, but there were limited large scale entertainment options identified. Netflix House is a large format experiential retail attraction themed around Netflix shows. There are emerging recreation/entertainment formats (e.g., Top Golf, Chicken N Pickle) that will seek regionally oriented locations that can support existing or new Regional Nodes. Build-A-Bear is a mall-based, experiential specialty retailer designed for children.
- Restaurants and Bars – Dining and entertainment continue to be among the fastest growing retail categories including fast food and quick serve casual chains. Among national sit-down restaurant chains, three growing operators may be candidates, Cheesecake Factory, PF Chang's, and Portillo's.

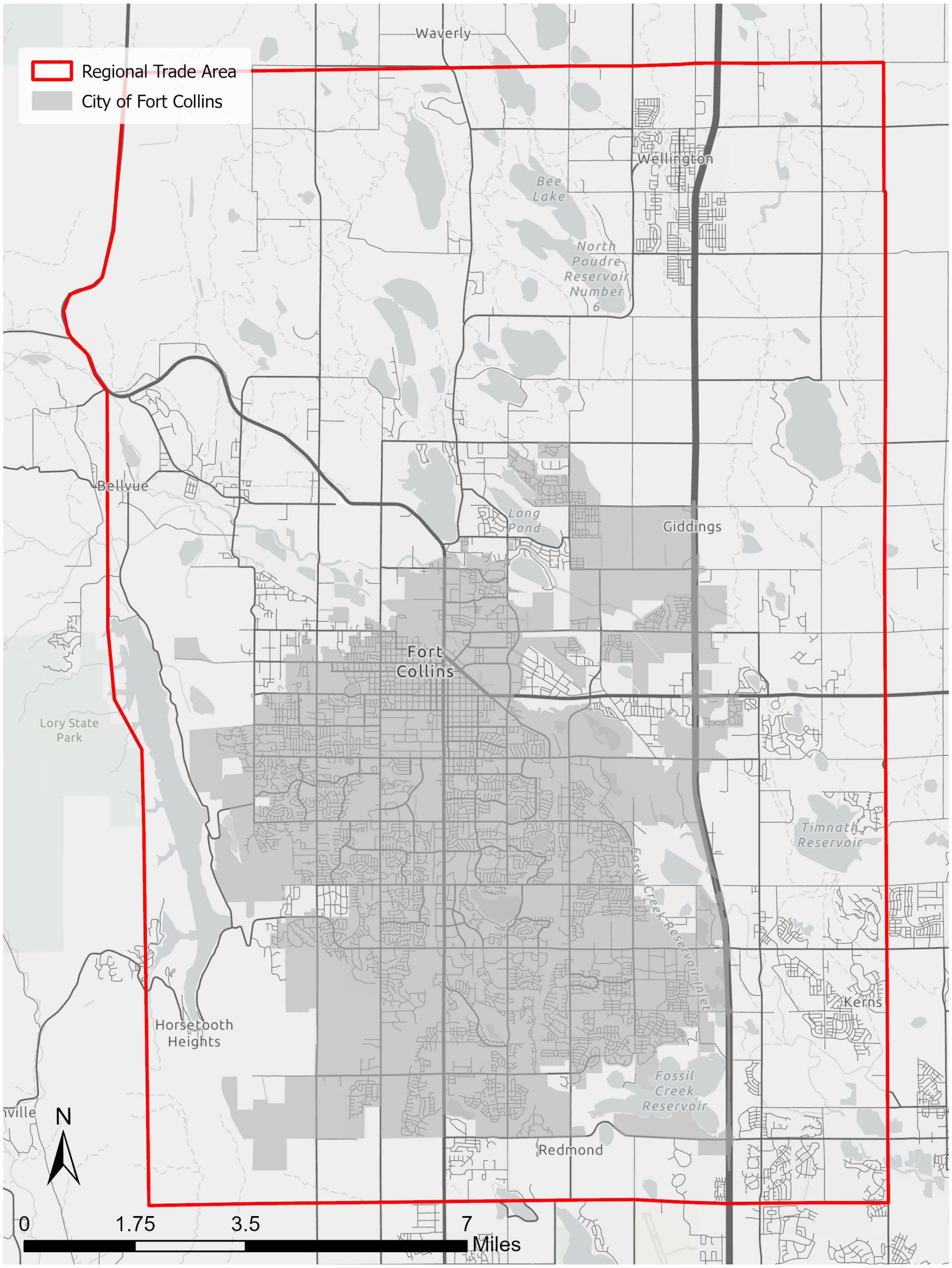
2. Growth and Development Trends

The chapter provides an overview of the retail/commercial development landscape in the City of Fort Collins and the larger Regional Trade Area context. The competitive trade areas are first defined and data compiled on population and household growth and the growth of retail/commercial development space and conditions over the last 15 years.

Study Areas

The demographic and market trends and conditions are tracked at three levels of geographies in this analysis, City of Fort Collins, Larimer County, and a Regional Trade Area (RTA or Trade Area) in which the City competes. The RTA is bound by the foothills to the west of Fort Collins, Larimer County to the east, County Road 66 to the north, and the City of Loveland boundary to the south (**Figure 1**).

Figure 1. City of Fort Collins Regional Trade Area



Demographic Trends

Population and Households

From 2010 to 2020, the Fort Collins region had strong population and household growth (**Table 1**). Since 2020, this growth has slowed, particularly within the city proper. From 2010 to 2020, Fort Collins gained nearly 25,000 residents, which equates to an average annual growth rate of 1.6 percent. From 2020 to 2024, Fort Collins only gained 2,753 residents, which is a 0.4 percent average annual growth rate.

More importantly, the surrounding communities in Larimer County are growing faster. From 2010 to 2020, the city accounted for 42.0 percent of Larimer County's population growth. From 2020 to 2024, the city's capture rate dropped to 14.4 percent. However, Fort Collins capture rate of household growth did not decline nearly as much between these two periods (from 39.7 percent to 24.9 percent), suggesting that there has been a rise in smaller households within the city.

Table 1. Population and Households, 2010 to 2024

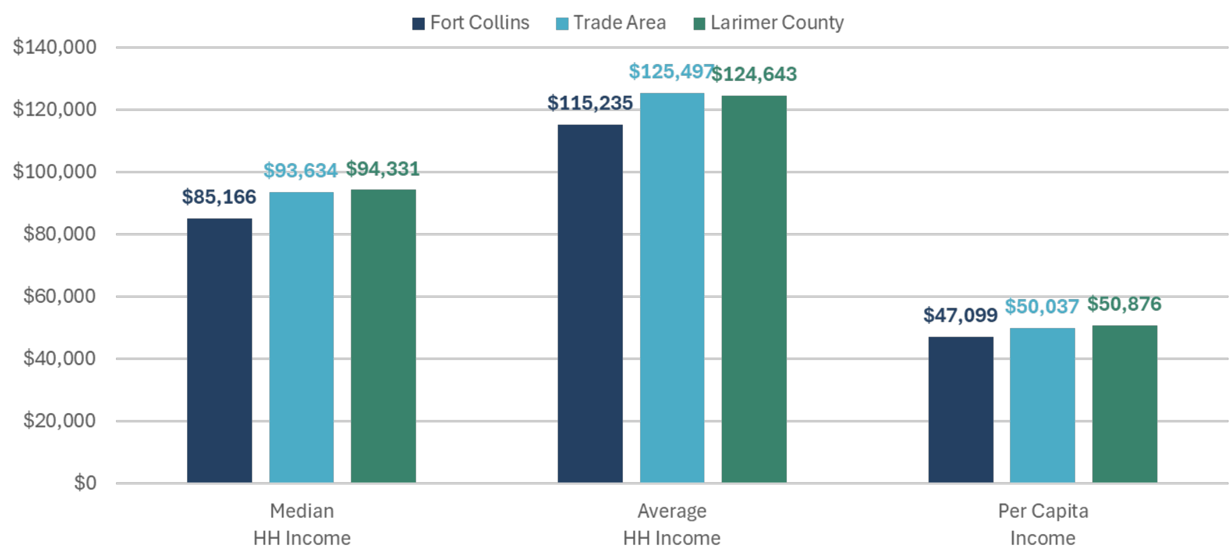
				2010-2020			2020-2024		
Description	2010	2020	2024	Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Population									
Fort Collins	144,872	169,828	172,581	24,956	2,496	1.6%	2,753	688	0.4%
Trade Area	183,485	220,814	230,657	37,329	3,733	1.9%	9,843	2,461	1.1%
Larimer County	299,630	359,066	378,187	59,436	5,944	1.8%	19,121	4,780	1.3%
Households									
Fort Collins	58,175	67,736	70,117	9,561	956	1.5%	2,381	595	0.9%
Trade Area	72,887	86,676	91,478	13,789	1,379	1.7%	4,802	1,201	1.4%
Larimer County	120,295	144,360	153,923	24,065	2,407	1.8%	9,563	2,391	1.6%

Source: ESRI Business Analyst; Economic & Planning Systems

Household Income

The city has lower household incomes in all three categories (median, average, and per capita) when compared to the Trade Area and Larimer County (**Figure 2**), although the differences are relatively small. In 2024, average household income in the City of Fort Collins was $115,235 compared with $125,497 in the Trade Area and $124,643 in Larimer County as a whole. The lower figures in the city are largely attributable to the presence of a significant student population associated with CSU.

Figure 2. Household Income, 2024



Source: ESRI Business Analyst; Economic & Planning Systems

Retail Development Trends

This section tracks retail space inventory and the growth in retail space and conditions in the city, Trade Area, and county over the 2010 to 2025 time period.

Inventory

The City of Fort Collins has approximately 11.7 million square feet of retail type commercial space as of the beginning of 2025, compared to 22.9 million in Larimer County, which is a little more than 50 percent of the total. The Trade Area has 12.4 million square feet, meaning the city is the dominant location in the area with nearly 95 percent of the total. However, the city's dominance is changing. From 2010 to 2025, Fort Collins added 326,475 square feet of retail space, while the Trade Area added 557,497 square feet, which is nearly twice the total of the city (**Table 2**).

Table 2. Retail Inventory, 2010 to 2025 Q1

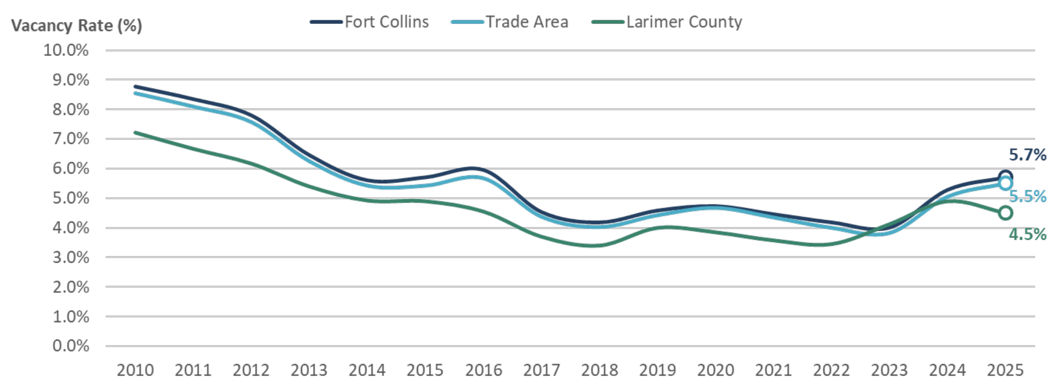
Description	2010	2015	2020	Q1 2025	2010-2025 Total	2010-2025 Ann. #	2010-2025 Ann. %
Inventory (Sq. Ft.)							
Fort Collins	11,417,484	11,653,213	11,693,032	11,743,959	326,475	21,765	0.2%
Trade Area	11,842,345	12,260,303	12,323,993	12,399,842	557,497	37,166	0.3%
Larimer County	20,985,832	21,584,142	22,717,160	22,979,517	1,993,685	132,912	0.6%

Source: CoStar; Economic & Planning Systems

Vacancy Rates

From 2010 to 2025, retail vacancy rates dropped from 8.8 percent to 5.7 percent in Fort Collins (**Figure 3**). The Trade Area follows a similar trend, with the vacancy rate being 5.5 percent in 2025. While the COVID-19 pandemic led to a relatively small increase in vacancy rates in both Fort Collins and the Trade Area, Larimer County's vacancy rate has since decreased to a level near 2019. In 2025, the Larimer County retail vacancy rate was 4.5 percent. In 2019, it was 4.0 percent.

Figure 3. Retail Vacancy Rates, 2010 to 2025 Q1

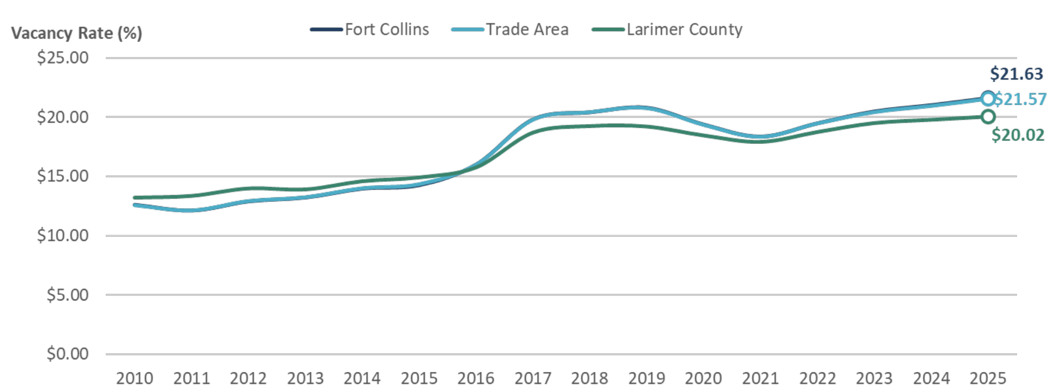


Source: CoStar; Economic & Planning Systems

Rental Rates

Retail rental rates per square foot have increased consistently in the region from 2010 to 2025 (**Figure 4**). While rates dropped during the pandemic, they have since recovered and nearly mirror the rental rates in 2019. In 2025, Fort Collins had the highest average rental rate with a rate of $21.63 per square foot, followed by the Trade Area with a rate of $21.57 per square foot, and Larimer County with a rate of $20.02 per square foot.

Figure 4. Retail Rental Rate per Square Foot, 2010 to 2025 Q1



Source: CoStar; Economic & Planning Systems

Planned/Future Development

As noted, there is significant growth in retail development outside the city but within the Trade Area. Any planned commercial/mixed-use project could have direct impact on consumer spending patterns within Fort Collins. Any planned residential project could lead to the relocation of Fort Collins residents. Therefore, both are documented in detail below.

This section highlights major new or planned developments that will impact the demand for retail space over the next 10 to 20 years, as shown in **Table 3** and summarized below:

- **Montava** – Located in the relatively undeveloped northeast quadrant of the city at Mountain Vista Drive and North Giddings Road, Montava, is a large 860-acre mixed use project planned for 3,500 single-family residential units, 2,000 multifamily units, and 200,000 square feet of office space and an undermined amount of retail and hotel space in a town center.
- **Peakview** – Located north of Mulberry Street between Downtown Fort Collins and I-25, Peakview includes industrial, retail, and office space. The square footage of each use has yet to be determined. The project is not currently under development.
- **Bloom** – Located north of Mulberry Street and west of Greenfield Drive, Bloom is a 226-acre mixed use project with 1,600 to 2,000 housing units planned and a 20-to-30-acre neighborhood commercial center anchored by a grocery store.
- **Ladera** – Located on Harmony Road east of I-25 in the Town of Timnath, Ladera is a significant retail/commercial project currently under development in the Trade Area just outside the city limits. The project contains a 75,000 square foot Floor & Décor store that opened in 2025. There is an additional 225,000 square feet of retail space planned for development over the next five years, anchored by national credit tenants, as well as a 125-room hotel, a 100,000 square foot self-storage facility, and 5,500 square foot automotive repair facility.

Outside of the Trade Area, there are two additional planned commercial/mixed-use developments of regional significance that will impact the competitive shopping environment: Ledge Rock in Johnstown, and Centerra in Loveland.

- **Ledge Rock** – Located east of I-25 on County Road 60, Ledge Rock has 196 single-family units and 1,020 multifamily units planned, as well as 880,000 square feet of retail space. Recently developed space includes two retail anchor stores–Murdoch's Ranch & Home Supply, and Woods Market–and a new grocery store in the market area.

- **Centerra South** – Located at the southwest corner of I-25 and Eisenhower Boulevard, Centerra South includes 1,204 residential units, 249,500 square feet of retail space, 75,000 square feet of office space, 139,000 square feet of hotel space, 18,400 square feet of civic space, 149,700 square feet of future mixed-use development, and 69,000 square feet of future hotel space. Additional residential units within the mixed-use development and the number of hotel rooms have yet to be determined. Centerra South is not currently under development.

Table 3. Planned Commercial and Mixed-Use Developments

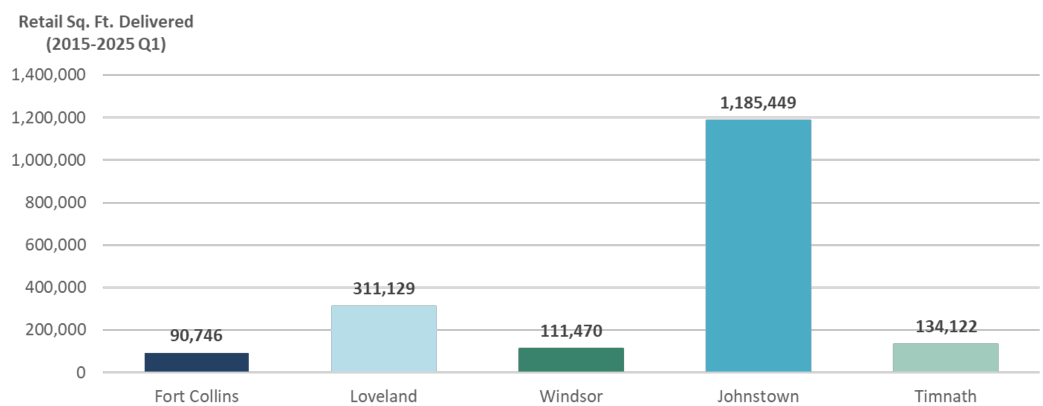
Development Name	Units/Rooms	Sq. Ft.	Development Name	Units/Rooms	Sq. Ft.
Trade Area			**Outside Trade Area**		
Montava (Fort Collins)			**Ledge Rock (Johnstown)**		
Single-Family	3,500	--	Single-Family	196	--
Multifamily	2,000	--	Multifamily	1,020	--
Office	--	200,000	Retail	--	880,000
Hotel	TBD	TBD	**Total**	**1,216**	**880,000**
Industrial	--	TBD			
Retail	--	TBD	**Centerra South (Loveland)**		
Total	**5,500**	**200,000**	Residential/MF	1,204	--
			Retail	--	249,500
Peakview (Fort Collins)			Office	--	75,000
Industrial	TBD	TBD	Hotel	TBD	139,000
Retail	TBD	TBD	Civic	--	18,400
Office	TBD	TBD	Future Mixed-Use	TBD	149,700
Total	**TBD**	**TBD**	Future Hotel	TBD	69,000
			Total	**1,204**	**700,600**
Bloom (Fort Collins)					
Residential	1,600-2,000	--			
Retail	--	20-30 acres			
Total	**1,600-2,000**	**20-30 acres**			
Ladera (Timnath)					
Retail	--	223,930			
Other	--	106,900			
TBD	--	21,000			
Hotel	125	TBD			
Total	**125**	**351,830**			
Total Trade Area	**7,225**	**551,830**	**Total Outside Trade Area**	**2,420**	**1,580,600**

Source: Economic & Planning Systems

Regional Retail Trends

Within the nearby region, the community with the largest growth in its retail inventory over the last 15 years is Johnstown, which had nearly 1.2 million square feet of retail space delivered (**Figure 5**). This is followed by Loveland, which had 311,129 square feet of retail space delivered from 2010 to 2025. Total retail deliveries for Timnath, Windsor, and Fort Collins during this period were around 100,000 square feet each.

Figure 5. Regional Retail Deliveries, 2010 to 2025 Q1



Source: CoStar; Economic & Planning Systems

Housing Development Trends

Active and Future Development

There is a total of 15,186 residential units planned to be developed within the Trade Area over the next 20 years (**Table 4**). Of these, 56.6 percent are single family, 27.2 percent are townhomes, and 16.3 percent are condominiums. This is quite a change from current residential development patterns. Of 5,299 residential units currently being built within the Trade Area, 73.7 percent are single family, 18.2 percent are townhomes, and 8.1 percent are condominiums.

Table 4. Active and Future Residential Development

Status	Units	% of Total
Active		
Single-Family	3,906	73.7%
Townhouse	964	18.2%
Condominium	429	8.1%
Total	**5,299**	**100.0%**
Future		
Single-Family	8,591	56.6%
Townhouse	4,123	27.2%
Condominium	2,472	16.3%
Total	**15,186**	**100.0%**

Source: Zonda; Economic & Planning Systems

Of the 5,299 housing units under active developments, over half (51.4 percent) are occupied, indicating that these units have been recently sold (**Table 5**). Just over 12 percent of the active units are considered "Housing Inventory" by Zonda, which means that the units are fully constructed, but not yet sold. 29.3 percent of the active units are vacant developed lots, indicating that the lots have all necessary infrastructure (i.e., water and sewer), but have yet to go "vertical." The remaining 381 units, or 7.2 percent of the total active units, are considered future lots and have yet to be developed.

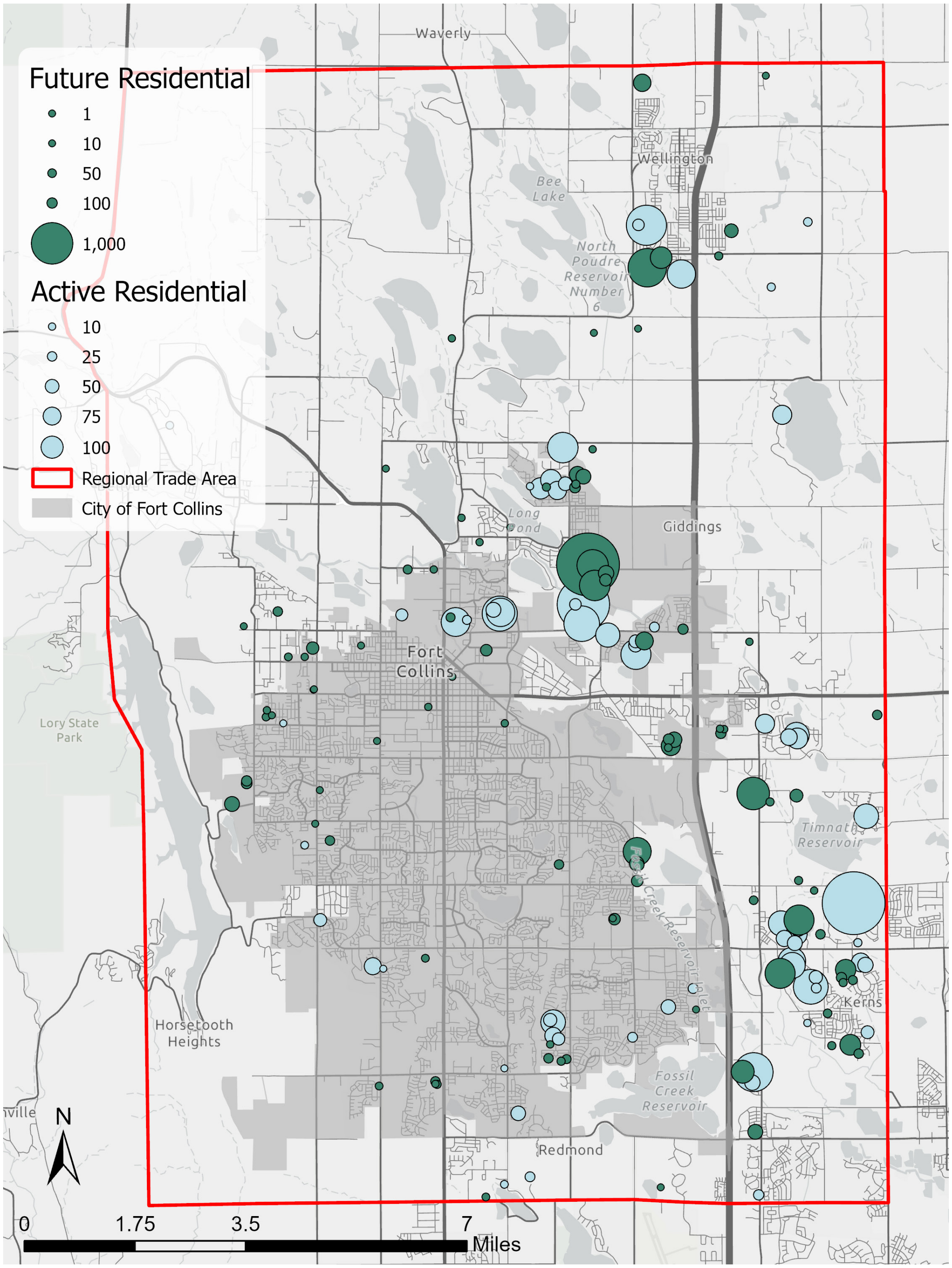
Table 5. Active Residential Development

Active Development	Units	% of Total
Total		
Occupied	2,722	51.4%
Housing Inventory	641	12.1%
Vacant Developed Lots	1,555	29.3%
Future Lots	381	7.2%
Total	**5,299**	**100.0%**

Source: Zonda; Economic & Planning Systems

Most active and future residential development in the Trade Area is in the northeast quadrant of the city as well as to the east of Fort Collins in Timnath and Windsor as shown in **Figure 6**. There is also some active development just south of Wellington.

Figure 6. Active and Future Residential Development



3. Retail Sales Trends

This chapter tracks changes in retail sales trends by store category and between e-commerce and bricks and mortar stores. National and state data and Fort Collins city data are reviewed for multiple timeframes based on availability.

National Retail Sales Trends

U.S. Census data on the Retail Trade sector shows a significant consolidation in the number of businesses over the COVID-19 pandemic timeframe as shown in **Table 6**.

Table 6. National Retail Trade Industry Trends, 2017 to 2022

Year	Firms	Establishments	Employees	Annual Payroll	Total Sales
2017					
Retail trade	647,480	1,064,087	15,938,821	$441,795,577	$4,949,601,481
Total	**5,802,347**	**7,590,729**	**124,616,999**	**$6,467,970,658**	**$36,955,226,883**
% of Total	11.2%	14.0%	12.8%	6.8%	13.4%
2022					
Retail trade	644,146	1,040,277	17,077,240	$611,652,252	$6,974,691,329
Total	**6,211,253**	**8,030,999**	**136,378,030**	**$8,496,724,158**	**$50,444,215,244**
% of Total	10.4%	13.0%	12.5%	7.2%	13.8%
Difference					
Retail trade	-3,334	-23,810	1,138,419	$169,856,675	$2,025,089,848
Total	**408,906**	**440,270**	**11,761,031**	**$2,028,753,500**	**$13,488,988,361**
% of Total	-0.8%	-1.1%	-0.3%	0.4%	0.4%

Source: U.S. Census Bureau Economic Census; Economic & Planning Systems

In 2022, there were 3,334 less firms and 23,810 less individual establishments than in 2017. While total retail sector employment grew by approximately 1.2 million employees from 15.9 million to 17.1 million employees, its total share of total employment across all industries decreased from 12.8 percent to 12.5 percent. Payroll (i.e., wages) and Total Sales grew from 2017 to 2022. Payroll increased by $169.9 million and Total Sales increased by $2.0 billion. However, this growth only increased retail's total share of payroll and sales by 0.4 percent.

E-Commerce

E-Commerce has become a driving force in retail over the last decade. Nationally, e-commerce increased its total share of retail sales by 10.2 percentage points from 2010 to 2021 as shown in **Table 7**. Apart from a surge during 2020, the annual growth rate for e-commerce sales was between 13 to 18 percent annually between 2010 and 2021.

Table 7. National Retail Trends, E-Commerce

Year	Bricks and Mortar	E-Commerce Sales	Total Retail Sales	Total % E-Commerce	Ann. % Growth
2010	$3,648,127	$169,921	$3,818,048	4.5%	--
2011	$3,902,595	$200,357	$4,102,952	4.9%	18%
2012	$4,070,084	$232,145	$4,302,229	5.4%	16%
2013	$4,197,728	$261,455	$4,459,183	5.9%	13%
2014	$4,342,699	$297,862	$4,640,561	6.4%	14%
2015	$4,387,857	$338,128	$4,725,985	7.2%	14%
2016	$4,464,153	$384,269	$4,848,422	7.9%	14%
2017	$4,596,502	$443,712	$5,040,214	8.8%	15%
2018	$4,744,026	$507,622	$5,251,648	9.7%	14%
2019	$4,824,880	$571,714	$5,396,594	10.6%	13%
2020	$4,754,835	$817,195	$5,572,030	14.7%	43%
2021	$5,563,894	$958,715	$6,522,609	14.7%	17%

Source: U.S. Census Retail Trade Sales; Economic & Planning Systems

The Supreme Court Wayfair requires online retailers to pay state and local sales taxes regardless of whether they have an on-site presence. As a result, Colorado is better able to track the volume of online retail spending. Prior to the Wayfair decision (2016-2018), non-store retail sales accounted for around 3 to 4 percent of total retail sales in major cities throughout Colorado, as shown in **Table 8.** Since 2019, this percentage has increased to 12 percent.

Table 8. Colorado Retail Trends, E-Commerce

Year	Non-Store Sales	Brick & Mortar Sales	Total Retail Sales	Total % Non-Store	Ann % Growth
2016	$1 B	$31.7 B	$32.7 B	3.1%	--
2017	$1.2 B	$32.9 B	$34.2 B	3.6%	22%
2018	$1.5 B	$34.8 B	$36.3 B	4.1%	19%
2019	$2.3 B	$35.3 B	$37.5 B	6.0%	53%
2020	$5 B	$36.8 B	$41.8 B	12.0%	122%
2021	$5.7 B	$41.5 B	$47.1 B	12.0%	13%

Source: CO Dept. of Revenue, Economic & Planning Systems

Fort Collins Retail Sales Trends

The City of Fort Collins collects its local portion of sales tax and can therefore track taxable sales by sector (NAICS category). Total taxable sales tax receipts grew from a total of $88.3 million in 2012 to $174.6 million in 2024, which equates to an average annual growth rate of 5.8 percent as shown in **Table 9**. Sales tax receipts from retail sectors grew by an average annual rate of 6.0 percent compared to an average annual rate of 5.2 percent for non-retail categories.

Retail Definitions

For analysis purposes, retail stores are categorized based on shopping and trade area characteristics listed below. Each is described with examples to clarify the types of retail stores included in each of the categories.

Convenience Goods – This category includes supermarkets and other grocery stores, convenience stores, as well as liquor, drug, and other specialty food stores. These stores sell frequently purchased, low-cost items with little product differentiation. The primary locations for Convenience Goods stores are the supermarket-anchored neighborhood shopping centers and smaller convenience centers, as these items are most often bought close to home.

Shoppers' Goods – This category includes general merchandise, apparel, sporting goods, furniture and home furnishings, appliance, and other specialty goods stores. General merchandise stores include traditional department stores (e.g., JCPenney, Kohl's, Dillard) as well as discount-oriented superstores and membership warehouses (e.g., Walmart, Sam's Club, Target, and Costco). The product lines of these stores are generally more expensive, less frequently purchased items. In general, people are more likely to comparison shop for Shoppers' Goods and are often more willing to travel farther to buy them. In urban/suburban settings, the primary locations for regional Shoppers' Goods are traditional downtown shopping districts, regional shopping centers, power centers, and freestanding large format stores.

Eating and Drinking Establishments – This category covers restaurants including conventional sit-down and fast food, and bars. Businesses in this category exhibit some of the characteristics of convenience stores in that many restaurant expenditures are made at establishments close to home and on a frequent basis. However, some higher quality restaurants, unique in the marketplace, can have a regional draw.

Sales by Category

The retail category with the largest growth during this period was Miscellaneous Retailers, which added $23.1 million in sales tax receipts and grew by an average annual rate of 16.0 percent. Miscellaneous Retailers includes most non-store retailers, so the growth in this sector is greatly influenced by the growth in e-commerce sales. Other sectors growing faster than the overall retail average include pharmacies and salons at 9.5 percent and restaurants and bars at 6.3 percent.

By contrast, several traditional brick and mortar sectors underperformed as shown in **Figure 7**. including general merchandise stores at 3.8 percent annual growth, sporting goods stores at 0.9 percent, electronics stores at 0.9 percent, and furniture and home furnishings at 3.9 percent.

Figure 7. Historic Growth Rates by Retail Category, 2012 to 2024

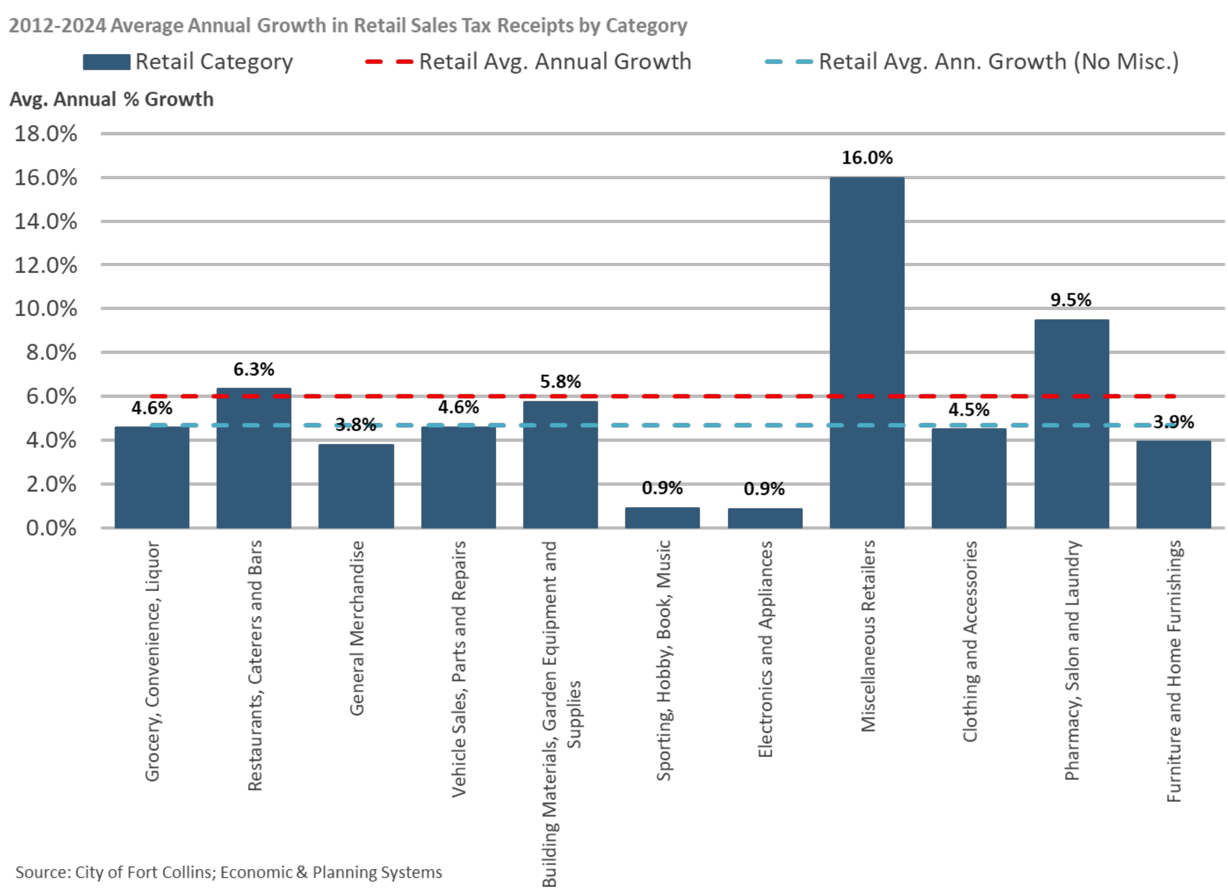


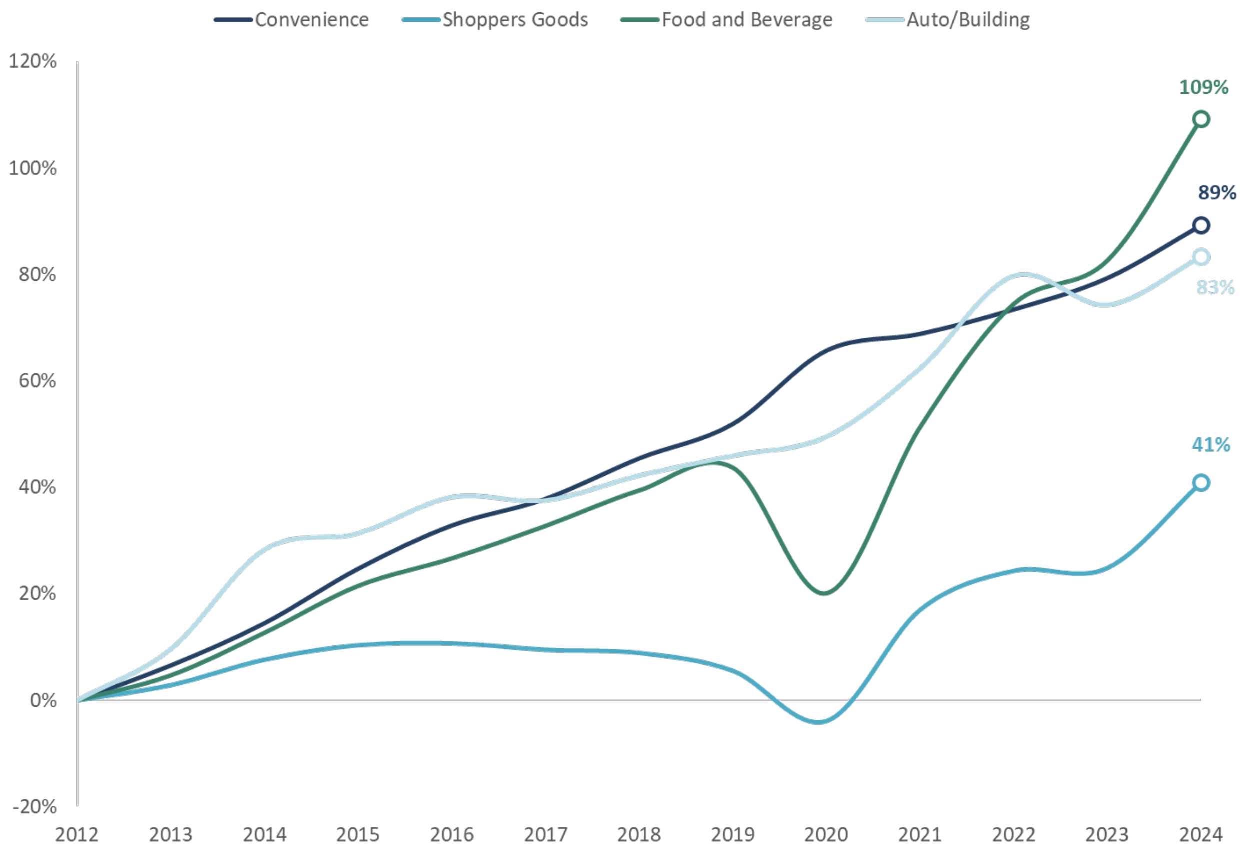
Table 9. Fort Collins Sales Tax Receipts, 2012 to 2024

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2012-2024 Change	Ann. #	Ann. %
Grocery, Convenience, Liquor	$12.2 M	$13.0 M	$13.8 M	$14.5 M	$15.1 M	$15.1 M	$15.6 M	$15.9 M	$17.4 M	$17.4 M	$18.3 M	$19.7 M	$20.8 M	$8.7 M	$0.7 M	4.6%
Restaurants, Caterers and Bars	$13.0 M	$13.6 M	$14.6 M	$15.8 M	$16.4 M	$17.2 M	$18.1 M	$18.6 M	$15.6 M	$19.6 M	$22.6 M	$23.7 M	$27.1 M	$14.2 M	$1.2 M	6.3%
General Merchandise	$10.4 M	$10.8 M	$11.0 M	$10.7 M	$10.2 M	$10.2 M	$10.7 M	$10.6 M	$10.7 M	$11.9 M	$13.1 M	$13.6 M	$16.3 M	$5.9 M	$0.5 M	3.8%
Vehicle Sales, Parts and Repairs	$7.0 M	$7.5 M	$8.6 M	$8.8 M	$8.8 M	$9.1 M	$9.1 M	$9.3 M	$9.0 M	$10.0 M	$10.7 M	$11.1 M	$11.9 M	$5.0 M	$0.4 M	4.6%
Building Materials, Garden Equipment and Supplie	$6.4 M	$7.2 M	$8.5 M	$8.7 M	$9.7 M	$9.3 M	$9.9 M	$10.1 M	$10.9 M	$11.7 M	$13.3 M	$12.1 M	$12.5 M	$6.1 M	$0.5 M	5.8%
Sporting, Hobby, Book, Music	$5.2 M	$5.3 M	$5.4 M	$5.7 M	$5.6 M	$5.3 M	$5.1 M	$5.1 M	$4.4 M	$6.1 M	$5.7 M	$5.4 M	$5.8 M	$0.6 M	$0.0 M	0.9%
Electronics and Appliances	$4.7 M	$4.8 M	$5.8 M	$6.3 M	$6.0 M	$5.9 M	$5.2 M	$4.6 M	$4.2 M	$4.7 M	$5.0 M	$4.9 M	$5.2 M	$0.5 M	$0.0 M	0.9%
Miscellaneous Retailers	$4.7 M	$5.0 M	$5.3 M	$5.6 M	$6.5 M	$7.7 M	$8.3 M	$9.5 M	$11.4 M	$18.5 M	$20.6 M	$23.0 M	$27.8 M	$23.1 M	$1.9 M	16.0%
Clothing and Accessories	$3.4 M	$3.2 M	$3.0 M	$3.0 M	$4.0 M	$4.0 M	$4.2 M	$4.3 M	$3.2 M	$4.4 M	$5.0 M	$5.1 M	$5.8 M	$2.4 M	$0.2 M	4.5%
Pharmacy, Salon and Laundry	$2.0 M	$2.1 M	$2.5 M	$3.2 M	$3.8 M	$4.5 M	$5.1 M	$5.7 M	$6.2 M	$6.6 M	$6.4 M	$5.8 M	$6.1 M	$4.0 M	$0.3 M	9.5%
Furniture and Home Furnishings	$1.9 M	$2.2 M	$2.3 M	$2.5 M	$2.6 M	$2.6 M	$2.7 M	$2.3 M	$2.2 M	$2.9 M	$3.0 M	$3.1 M	$3.0 M	$1.1 M	$0.1 M	3.9%
Retail Sales Tax Receipts	**$70.9 M**	**$74.7 M**	**$80.9 M**	**$84.9 M**	**$88.6 M**	**$91.0 M**	**$94.0 M**	**$96.3 M**	**$95.1 M**	**$113.8 M**	**$123.8 M**	**$127.4 M**	**$142.4 M**	**$71.6 M**	**$6.0 M**	**6.0%**
Percent of Total	80.3%	81.1%	81.0%	81.1%	81.1%	81.1%	80.8%	80.5%	82.2%	82.5%	82.2%	82.0%	81.6%			
Broadcasting and Telecommunications	$4.6 M	$4.2 M	$4.3 M	$4.4 M	$4.8 M	$4.7 M	$5.0 M	$4.9 M	$3.9 M	$4.0 M	$3.9 M	$3.6 M	$3.7 M	-$0.9 M	-$0.1 M	-1.7%
Utilities	$4.3 M	$4.5 M	$4.7 M	$4.6 M	$4.6 M	$4.8 M	$4.8 M	$4.9 M	$5.0 M	$5.5 M	$6.1 M	$6.6 M	$6.9 M	$2.7 M	$0.2 M	4.1%
Other	$2.0 M	$2.1 M	$2.2 M	$2.5 M	$2.7 M	$2.9 M	$2.7 M	$3.1 M	$2.8 M	$3.5 M	$4.4 M	$4.9 M	$6.3 M	$4.4 M	$0.4 M	10.3%
Rental and Leasing Services	$1.8 M	$1.7 M	$2.1 M	$2.3 M	$2.6 M	$2.6 M	$2.5 M	$2.6 M	$2.3 M	$2.2 M	$2.3 M	$2.3 M	$2.8 M	$1.0 M	$0.1 M	3.7%
Wholesale Trade	$1.6 M	$1.6 M	$1.6 M	$2.0 M	$2.1 M	$1.6 M	$2.1 M	$2.8 M	$2.4 M	$2.6 M	$3.1 M	$3.0 M	$3.5 M	$1.9 M	$0.2 M	6.5%
Lodging	$1.5 M	$1.6 M	$1.9 M	$2.1 M	$2.1 M	$2.2 M	$2.7 M	$2.9 M	$1.5 M	$2.4 M	$3.1 M	$3.6 M	$4.0 M	$2.5 M	$0.2 M	8.3%
Manufacturing	$1.7 M	$1.7 M	$2.0 M	$2.0 M	$1.9 M	$2.4 M	$2.4 M	$2.3 M	$2.6 M	$4.0 M	$3.8 M	$4.0 M	$4.9 M	$3.3 M	$0.3 M	9.5%
Non-Retail Tax Receipts	**$17.4 M**	**$17.4 M**	**$18.9 M**	**$19.8 M**	**$20.7 M**	**$21.1 M**	**$22.3 M**	**$23.4 M**	**$20.6 M**	**$24.1 M**	**$26.8 M**	**$28.0 M**	**$32.2 M**	**$14.8 M**	**$1.2 M**	**5.2%**
Percent of Total	19.7%	18.9%	19.0%	18.9%	18.9%	18.9%	19.2%	19.5%	17.8%	17.5%	17.8%	18.0%	18.4%			
Total Sales Tax Receipts	**$88.3 M**	**$92.1 M**	**$99.8 M**	**$104.7 M**	**$109.3 M**	**$112.1 M**	**$116.3 M**	**$119.7 M**	**$115.7 M**	**$137.9 M**	**$150.5 M**	**$155.4 M**	**$174.6 M**	**$86.3 M**	**$7.2 M**	**5.8%**

Source: City of Fort Collins; Economic & Planning Systems

When grouping store sales categories into four major categories (Convenience Goods, Shoppers' Goods, Food and Beverage, and Auto/Building), the overall growth trend from 2012 to 2024 shows that Shoppers' Goods have not kept pace with the other three major categories in Fort Collins (**Figure 8**). From 2012 to 2024, the net growth in Shoppers' Goods was 41 percent, compared to 83 percent for Auto/Building, 89 percent for Convenience, and 109 percent for Food and Beverage.

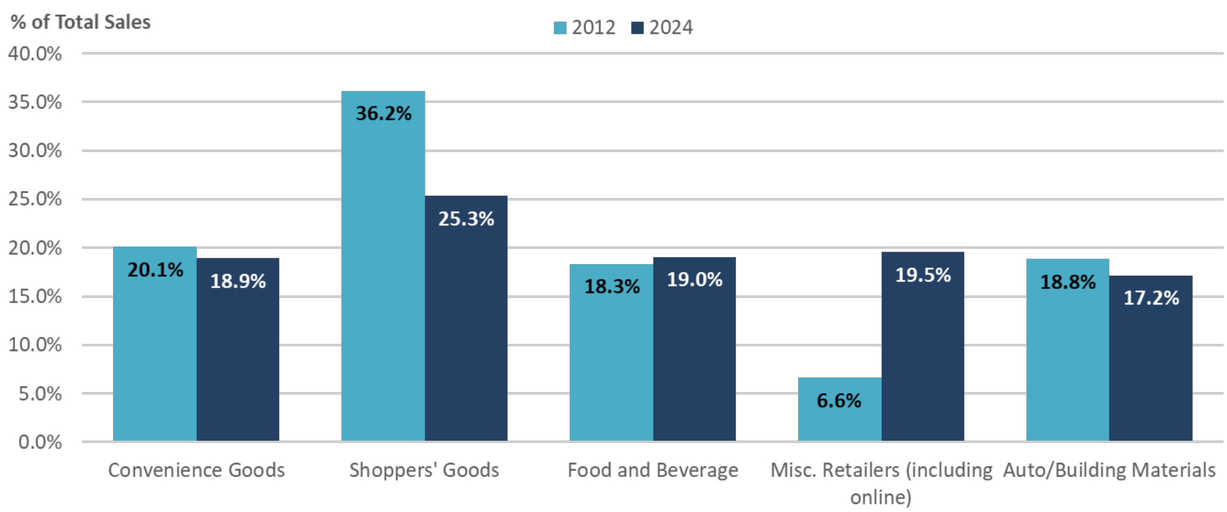
Figure 8. Change in Retail Sales for Select Industries, 2012 to 2024



Source: City of Fort Collins; Economic & Planning Systems

This trend is also evident when comparing each category's share of total shares between 2012 and 2024. Shoppers' Goods total share of sales in Fort Collins decreased from 36.2 percent in 2012 to 25.3 percent in 2024 (**Figure 9**). During the same period, Miscellaneous Retailers (including most online sales) saw its share increase from 6.6 percent to 19.5 percent of total sales. The only other major category with an increase was Food and Beverage, which increased from 18.3 percent to 19.0 percent.

Figure 9. Change in Retail Sales by Category, 2012 to 2024



Source: City of Fort Collins; Economic & Planning Systems

E-Commerce

Since online sales tax collected started in late 2020, e-commerce increased its share of retail sales tax receipts to an estimated 7.8 percent in 2024 (**Table 10**). This estimate was created by normalizing the growth rate of miscellaneous retailers since 2020. Prior to 2020, online sales tax was not collected by Fort Collins. In 2024, e-commerce accounted for $13.6 million of total sales tax receipts.

Table 10. Fort Collins E-Commerce Trends, 2012 to 2024

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2012-2024 Total	2012-2024 Ann. #	2012-2024 Ann. %
Actual Sales Tax Receipts																
Miscellaneous Retailers	$4.7 M	$5.0 M	$5.3 M	$5.6 M	$6.5 M	$7.7 M	$8.3 M	$9.5 M	$11.4 M	$18.5 M	$20.6 M	$23.0 M	$27.8 M	$23.1 M	$1.9 M	16.0%
Brick and Mortar Sales	$83.6 M	$87.1 M	$94.5 M	$99.1 M	$102.8 M	$104.4 M	$108.0 M	$110.2 M	$104.3 M	$119.4 M	$129.9 M	$132.4 M	$146.8 M	$63.2 M	$5.3 M	4.8%
Total	**$88.3 M**	**$92.1 M**	**$99.8 M**	**$104.7 M**	**$109.3 M**	**$112.1 M**	**$116.3 M**	**$119.7 M**	**$115.7 M**	**$137.9 M**	**$150.5 M**	**$155.4 M**	**$174.6 M**	**$86.3 M**	**$7.2 M**	**5.8%**
Estimated Sales Tax Receipts																
Miscellaneous Retailers	$4.7 M	$5.0 M	$5.3 M	$5.6 M	$6.5 M	$7.7 M	$8.3 M	$9.5 M	$11.4 M	$12.0 M	$12.7 M	$13.5 M	$14.2 M	$9.6 M	$0.8 M	9.7%
E-Commerce	--	--	--	--	--	--	--	--	--	$6.5 M	$7.9 M	$9.5 M	$13.6 M	--	--	---
Brick and Mortar Sales	$83.6 M	$87.1 M	$94.5 M	$99.1 M	$102.8 M	$104.4 M	$108.0 M	$110.2 M	$104.3 M	$119.4 M	$129.9 M	$132.4 M	$146.8 M	$63.2 M	$5.3 M	4.8%
Total	**$88.3 M**	**$92.1 M**	**$99.8 M**	**$104.7 M**	**$109.3 M**	**$112.1 M**	**$116.3 M**	**$119.7 M**	**$115.7 M**	**$137.9 M**	**$150.5 M**	**$155.4 M**	**$174.6 M**	**$86.3 M**	**$7.2 M**	**5.8%**
Perecent of Total																
Miscellaneous Retailers	5.3%	5.4%	5.3%	5.4%	5.9%	6.9%	7.2%	8.0%	9.8%	8.7%	8.4%	8.7%	8.2%			
E-Commerce	--	--	--	--	--	--	--	--	--	4.7%	5.3%	6.1%	7.8%			
Brick and Mortar Sales	94.7%	94.6%	94.7%	94.6%	94.1%	93.1%	92.8%	92.0%	90.2%	86.6%	86.3%	85.2%	84.1%			
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**			

Note: Wayfair decision lead to collection of E-Commerce sales tax starting in mid-2020. Data is excluded for modeling purposes.
Source: City of Fort Collins; Economic & Planning Systems

Findings

The retail sector grew at a relatively healthy 6.0 percent over the last 12 years and continues to be the primary source of sales tax revenues for the City, accounting for 81.6 percent of total sales taxes in 2024 and 83 percent of the increase in sales taxes over the 2010-2024 time period. Similar to national trends, e-commerce is having an impact on retail sales locally. Based on EPS's estimates, e-commerce accounts for an estimated 7.8 percent of total retail sales, which is below national and state averages in the 12 to 14 percent range (from other data sources and therefore not directly comparable). However, since the Wayfair court decision, the City has been able to capture the associated sales tax revenues from online sales thereby largely mitigating its impact on the City's budget.

There have been greater impacts on the performance of bricks and mortar stores in the city, due to e-commerce, as well as due to the growth of competitive retail outside of the city. Total retail sales grew at an average of 6.0 percent per year over the 2010-2024 time period. By sector, Miscellaneous Retail (including online retailers) grew at a 16 percent annual growth rate. The largest impacts have been in the Shoppers' Good grouping, with General Merchandise at 3.8 percent, Clothing and Apparel at 4.5 percent, Sporting Goods, Hobby and Books and Music at 0.9 percent; and Electronics and Appliances at 0.9 percent. The slowdown in Shoppers' Goods store category is indicative of the city's declining dominance as a regional trade center.

The next chapter of the report provides a forecast of household and retail spending growth in the Trade Area and city to identify opportunities for additional retail development and targeted retail attraction.

4. Retail Demand Forecasts

This chapter provides EPS's estimates of retail expenditure potential associated with the forecasted growth in city and Trade Area households over the next 10 years. This spending potential is converted to estimates of supportable retail space by store category along with estimates of potential capture rates that the City of Fort Collins may be able to achieve.

Expenditure Potentials

Retail spending potential is based on the growth in households and personal income and the portion of income spent in retail stores. The Trade Area is projected to grow by 13,500 households by 2034. In 2024, the average household income in the Trade Area was $125,497. The total personal income (TPI) of the Trade Area is the number of new households multiplied by the average household income, which equals approximately $13.2 billion in TPI by 2034, as shown in **Table 11**. Note that the use of constant dollars assumes there will be incremental growth in TPI that is commensurate with the growth in the cost of goods. By holding both values constant, the projection provides a realistic future demand estimate.

Table 11. Trade Area Total Personal Income (TPI), 2024 to 2034

			2024-2034		
Description	**2024**	**2034**	**Total**	**Ann. #**	**Ann. %**
Trade Area					
Households	91,478	104,978	13,500	1,350	1.4%
Avg. Household Income	$125,497	$125,497	--	--	--
Total Personal Income	**$11,480,214,566**	**$13,174,424,066**	**$1,694,209,500**	**$169,420,950**	**1.4%**

Source: U.S. Census Bureau; ESRI Business Analyst; Economic & Planning Systems

The average Colorado household spends 30.0 percent of its income on retail goods according to data from the Census of Retail Trade, as shown in **Table 12**. By 2034, the growth in retail spending reflecting this household growth is estimated to be $507.6 million. This retail expenditure figure includes a range of retail store categories and accounts for spending that occurs at both stores in the Trade Area as well as stores located elsewhere in the region, as well as online purchases.

Table 12. Trade Area Expenditure Potential, 2024 to 2034

Store Type	Retail Sales % TPI (2024)	2024 ($000s)	2034 ($000s)	2024-2034 ($000s)
Total Personal Income (TPI)	**100%**	**$11,480,215**	**$13,174,424**	**$1,694,210**
Convenience Goods				
Supermarkets and Other Grocery Stores	6.2%	$710,081	$814,872	$104,791
Convenience Stores (incl. Gas Stations)	1.4%	$164,632	$188,928	$24,296
Beer, Wine, & Liquor Stores	0.9%	$102,179	$117,258	$15,079
Health and Personal Care	1.2%	$137,879	$158,227	$20,348
Total Convenience Goods	**9.7%**	**$1,114,771**	**$1,279,285**	**$164,514**
Shopper's Goods				
General Merchandise				
Traditional Department Stores	0.2%	$22,593	$25,927	$3,334
Warehouse Clubs and Supercenters	5.1%	$584,539	$670,803	$86,264
Other General Merchandise	0.5%	$57,392	$65,862	$8,470
Subtotal	**5.8%**	**$664,524**	**$762,592**	**$98,068**
Other Shopper's Goods				
Clothing & Accessories	1.5%	$169,836	$194,900	$25,064
Furniture & Home Furnishings	0.9%	$101,437	$116,407	$14,970
Electronics & Appliances	0.4%	$49,053	$56,292	$7,239
Sporting Goods, Hobby, Book, Music Stores & Misc Retail	1.7%	$195,967	$224,887	$28,920
Subtotal	**4.5%**	**$516,294**	**$592,487**	**$76,193**
Total Shopper's Goods	**10.3%**	**$1,180,817**	**$1,355,078**	**$174,261**
Eating and Drinking	**6.4%**	**$735,778**	**$844,362**	**$108,584**
Building Material & Garden	**3.6%**	**$408,069**	**$468,291**	**$60,221**
Total Retail Goods	**30.0%**	**$3,439,436**	**$3,947,015**	**$507,580**

Source: 2022 Census of Retail Trade; Economic & Planning Systems

Supportable Retail Space

This growth in potential retail sales is translated into demand for retail space using average annual sales per square foot by store category. Based on the average sales per square foot for these retail uses, there is demand for approximately 1.0 million square feet of retail space in the Trade Area over the 2024 to 2034 period, as shown below in **Table 13**.

Of this demand, it is anticipated that the Trade Area would capture approximately 774,000 square feet of new retail space with 240,800 square feet for convenience goods, 175,700 square feet for shoppers' goods, 216,800 square feet for restaurants, and 140,700 square feet for home and garden. Based on anticipated future capture, Fort Collins would account for 404,600 square feet of the Trade Area's 774,000 square feet of demand, or 52.3 percent.

Table 13. Trade Area Supportable Retail Space, 2024 to 2034

Store Type	Avg. Sales Per Sq. Ft.	Supportable Space 2024	Supportable Space 2034	New Demand 2024-2034	Trade Area Capture Percentage	Trade Area New Demand 2024-2034	Fort Collins Capture Percentage	Fort Collins New Demand 2024-2034
Convenience Goods								
Supermarkets and Other Grocery Stores	$650	1,092,000	1,254,000	161,000	80.0%	128,800	50.0%	64,400
Convenience Stores (incl. Gas Stations)	$400	412,000	472,000	61,000	80.0%	48,800	50.0%	24,400
Beer, Wine, & Liquor Stores	$400	255,000	293,000	38,000	80.0%	30,400	50.0%	15,200
Health and Personal Care	$500	276,000	316,000	41,000	80.0%	32,800	50.0%	16,400
Total Convenience Goods	**$500**	**2,035,000**	**2,335,000**	**301,000**	**80.0%**	**240,800**	**50.0%**	**120,400**
Shopper's Goods								
General Merchandise								
Traditional Department Stores	$300	75,000	86,000	11,000	70.0%	7,700	60.0%	4,600
Warehouse Clubs, Supercenters, and Other	$750	77,000	88,000	11,000	70.0%	7,700	60.0%	4,600
Subtotal		**152,000**	**174,000**	**22,000**	**70.0%**	**15,400**	**60.0%**	**9,200**
Other Shopper's Goods								
Clothing & Accessories	$350	485,000	557,000	72,000	70.0%	50,400	60.0%	30,200
Furniture & Home Furnishings	$250	406,000	466,000	60,000	70.0%	42,000	60.0%	25,200
Electronics & Appliances	$500	98,000	113,000	14,000	70.0%	9,800	60.0%	5,900
Sporting Goods, Hobby, Book, Music Stores & Misc Retail	$350	560,000	643,000	83,000	70.0%	58,100	60.0%	34,900
Subtotal		**1,549,000**	**1,779,000**	**229,000**	**70.0%**	**160,300**	**60.0%**	**96,200**
Total Shopper's Goods	**$400**	**1,701,000**	**1,953,000**	**251,000**	**70.0%**	**175,700**	**60.0%**	**105,400**
Eating and Drinking	**$400**	**1,839,000**	**2,111,000**	**271,000**	**80.0%**	**216,800**	**50.0%**	**108,400**
Building Material & Garden	**$300**	**1,360,000**	**1,561,000**	**201,000**	**70.0%**	**140,700**	**50.0%**	**70,400**
Total Retail Goods		**6,935,000**	**7,960,000**	**1,024,000**		**774,000**		**404,600**

Source: 2022 Census of Retail Trade; Economic & Planning Systems

Fort Collins Expenditure Potential and Sales Flow

The average Colorado household spends 30.0 percent of its income in retail stores (including on-line sales) according to data from the Census of Retail Trade, as shown in **Table 14**. By 2034, the growth in retail expenditures reflecting household growth in Fort Collins, is estimated to be $218.3 million, which accounts for 43.0 percent of the total growth in the Trade Area. This retail expenditure figure includes a range of retail categories and accounts for spending that occurs at both stores in the Trade Area as well as stores located elsewhere in the region and online purchases.

Table 14. Fort Collins Expenditure Potential, 2024 to 2034

Store Type	Retail Sales % TPI (2024)	2024 ($000s)	2034 ($000s)	2024-2034 ($000s)
Total Personal Income (TPI)	**100%**	**$8,079,932**	**$8,808,809**	**$728,876**
Convenience Goods				
Supermarkets and Other Grocery Stores	6.2%	$499,764	$544,847	$45,083
Convenience Stores (incl. Gas Stations)	1.4%	$115,870	$126,323	$10,452
Beer, Wine, & Liquor Stores	0.9%	$71,915	$78,402	$6,487
Health and Personal Care	1.2%	$97,041	$105,795	$8,754
Total Convenience Goods	**9.7%**	**$784,591**	**$855,367**	**$70,777**
Shopper's Goods				
General Merchandise				
Traditional Department Stores	0.2%	$15,901	$17,336	$1,434
Warehouse Clubs and Supercenters	5.1%	$411,406	$448,518	$37,112
Other General Merchandise	0.5%	$40,393	$44,037	$3,644
Subtotal	**5.8%**	**$467,701**	**$509,891**	**$42,190**
Other Shopper's Goods				
Clothing & Accessories	1.5%	$119,533	$130,316	$10,783
Furniture & Home Furnishings	0.9%	$71,393	$77,833	$6,440
Electronics & Appliances	0.4%	$34,524	$37,639	$3,114
Sporting Goods, Hobby, Book, Music Stores & Misc Retail	1.7%	$137,924	$150,366	$12,442
Subtotal	**4.5%**	**$363,375**	**$396,154**	**$32,779**
Total Shopper's Goods	**10.3%**	**$831,076**	**$906,045**	**$74,970**
Eating and Drinking	**6.4%**	**$517,851**	**$564,565**	**$46,714**
Building Material & Garden	**3.6%**	**$287,205**	**$313,113**	**$25,908**
Total Retail Goods	**30.0%**	**$2,420,722**	**$2,639,091**	**$218,369**

Source: 2022 Census of Retail Trade; Economic & Planning Systems

Based on 2024 retail sales and Fort Collins expenditure potential, a sales flow model was developed to show the total estimated sales within the City of Fort Collins and its associated leakage to stores outside of the City. Fort Collins stores are estimated to capture approximately 73.0 percent of all retail sales from its residents (**Table 15**). Residents are therefore estimated to spend approximately 27 percent of their spending outside of the City as outflow or leakage. The greatest leakage is in General Merchandise and other shoppers goods which is estimated at 30 to 40 percent by store category as shown.

The portion of existing store sales not accounted for by residents is due to inflow from residents of the larger area as well as visitors. Total inflow is estimated at 29 percent of total store sales with the highest figures in the Other Shoppers Goods store categories found at regional shopping locations (Downtown, Foothills Mall, and Front Range Village).

Table 15. Fort Collins Retail Sales Flow, 2024

Store Type	2024 Retail Sales ($000s)	Fort Collins 2024: Exp. Potential ($000s)	Capture %	Est. Sales ($000s)	% of Sales	Estimated Leakage ($000s)
Total Personal Income (TPI)		**$8,079,932**				
Convenience Goods						
Food and Beverage Stores, Gas Stations	$646,765	$687,550	80%	$550,040	85%	$137,510
Health and Personal Care	$120,753	$97,041	80%	$77,633	64%	$19,408
Subtotal	**$767,518**	**$784,591**		**$627,673**	**82%**	**$156,918**
Shoppers' Goods						
General Merchandise	$379,619	$467,701	60%	$280,621	74%	$187,080
Subtotal	**$379,619**	**$467,701**		**$280,621**	**74%**	**$187,080**
Other Shoppers' Goods						
Clothing & Accessories	$120,249	$119,533	70%	$83,673	70%	$35,860
Furniture & Home Furnishings	$59,621	$71,393	70%	$49,975	84%	$21,418
Electronics & Appliances	$111,999	$34,524	70%	$24,167	22%	$10,357
Sporting Goods, Hobby, Book, Music Stores & Misc Retail	$257,499	$137,924	70%	$96,547	37%	$41,377
Subtotal	**$549,369**	**$363,375**		**$254,362**	**46%**	**$109,012**
Total Shoppers' Goods	**$928,987**	**$831,076**	**64%**	**$534,983**	**58%**	**$296,093**
Eating and Drinking	**$575,077**	**$517,851**	80%	**$414,281**	**72%**	**$103,570**
Building Material & Garden	**$240,516**	**$287,205**	70%	**$201,043**	**84%**	**$86,161**
Total Retail Goods	**$2,512,097**	**$2,420,722**	**73%**	**$1,777,979**	**71%**	**$642,742**

Source: 2022 Census of Retail Trade: City of Fort Collins; Economic & Planning Systems

Findings

The Trade Area is still growing with an estimated 13,500 new households over the next 10 years accounting for an increase in $504.6 million in additional annual retail expenditures. The question is where is this growth occurring and what opportunities does the City have for capturing this growth? Based on residential growth patterns and trends, EPS estimates that approximately $218.4 million, or 43 percent of this growth will be from Fort Collins residents, primarily in the northeast quadrant of the City. This expenditure growth will support an estimated 404,600 square feet of net new retail space. Some of the additional retail spending will occur in existing stores, but it is a net new amount that will also create opportunities for new stores and centers.

The next chapter of the report will evaluate existing retail centers and nodes in the City, classifying locations by type and performance characteristics. This analysis will also provide a basis for identifying opportunities for new retail locations as well as needs for addressing underperforming centers.

5. Commercial Nodes Conditions Analysis

The existing and future concentrations of retail areas in the city serve different functions and customer bases. To develop strategies for the different types of retail areas, a hierarchy of commercial nodes and centers was established. The existing conditions in different areas of the city were assessed to understand opportunities and challenges and the related strategies needed to address different areas of the city.

Nodes and Center Types

Three retail area types or groups were identified in the analysis. These areas encompass the vast majority of retail properties in the city. The three area categories are defined below and shown in **Figure 10**.

- **Regional Nodes** – Regional Nodes are larger concentrations of regionally oriented shopping centers (e.g. malls, power centers, etc..), retailers, and associated smaller retail and commercial service businesses. These areas draw customers from a large geography generally inclusive of the areas within 5 miles and/or attract customers citywide or from outside the city. These areas include the major destination retailers and entertainment venues. They are in places that are the best connected via transportation routes (e.g. major arterial roads, highways, transit routes) and have greater density and diversity of uses.

  Regional Nodes are important parts of the overall fiscal health of the community as they are the location of the major retail sales tax generators in the community. Regional Nodes serve as location for businesses of all types, not just retail. Regional Nodes provide residents with the major retail and entertainment destinations they want to access without having to leave the community.

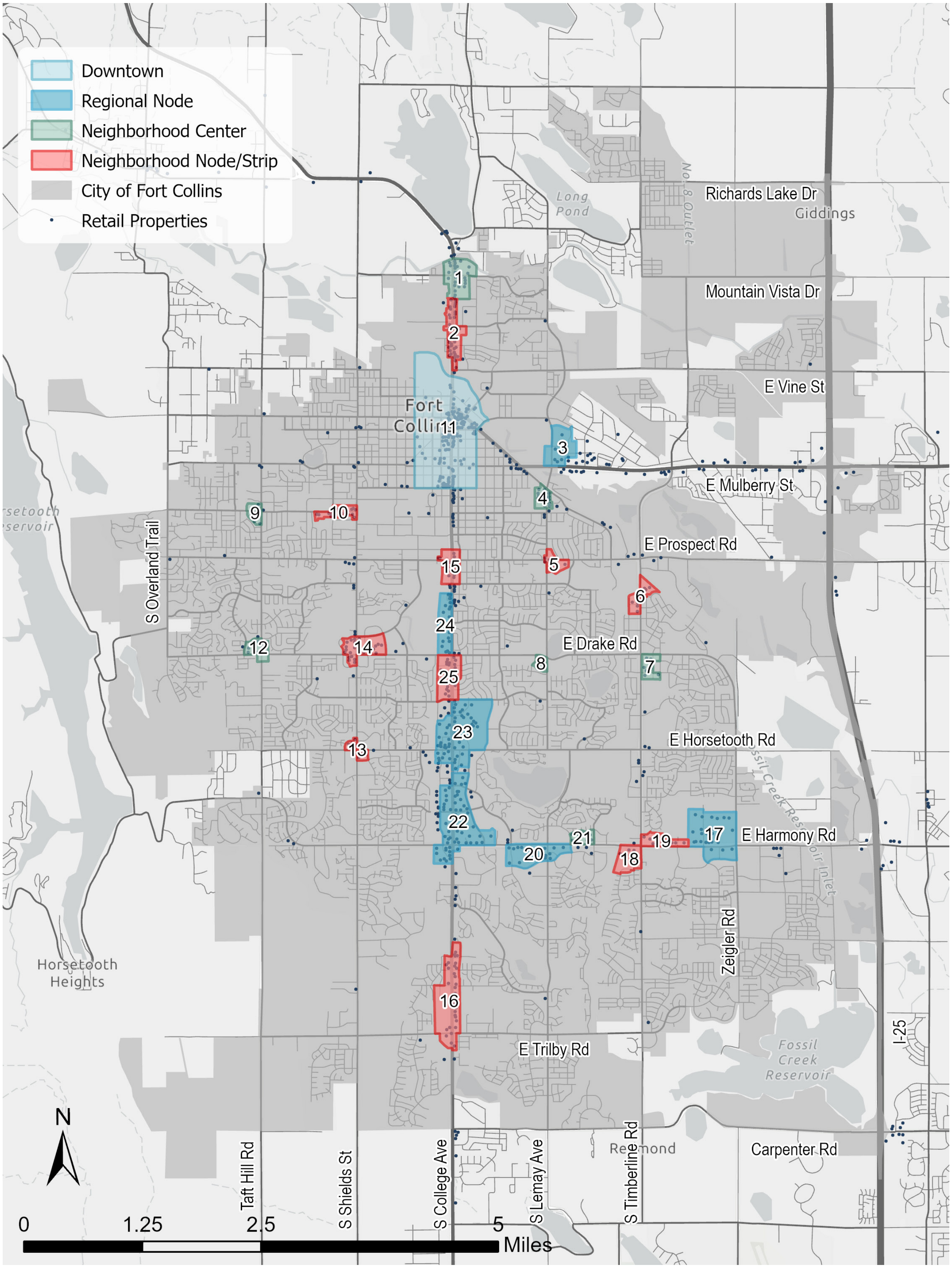
- **Neighborhood Centers** – Neighborhood Centers are concentrations of retailers and retail centers that serve a more localized Trade Area that is approximately a 2-mile radius in size or smaller, have a greater concentration of retailers and businesses that serve everyday needs of the surrounding residential areas, and are anchored by a primary retail destination, which most often is a grocery store, that draws the majority of visitors/shoppers.

  Neighborhood Centers are a major component to supporting 15-minute neighborhoods within the City. These centers are the centralized concentrations of retail goods and services that residents need access to and are more stable/strong due to the presence of the primary anchor use(s), as the shoppers and traffic driven by the anchor businesses help support visitation and awareness of smaller businesses needed to support resident needs. These centers are generally more easily accessible and more retail goods and services oriented than Regional Centers but can also provide entertainment options.

- **Neighborhood Strips/Centers –** Neighborhood Strips/Centers are areas that have a concentration of retail uses in smaller retail centers and stand-alone parcels that serve a smaller, neighborhood trade area (1 to 2 mile radius) but are not part of a larger regional node or an area with a larger anchor (i.e. grocery store).

  These Strips/Centers help contribute to increased access to goods and services for residents, provide opportunities for place making, and address market niches that cannot be served by larger centers and nodes. However, these areas are more vulnerable to economic and market conditions, shifts in retail tenants/ uses, and locate in a greater diversity of building types and configurations.

Figure 10. Retail Area Types



Regional Nodes Conditions

Seven Regional Nodes have been defined in the City ranging in amount of retail space from 344,000 to 1.5 million square feet. Downtown Fort Collins is included as one of the seven Regional Nodes but is a unique area. These Regional Nodes are the strongest retail areas in the City and the places most likely to attract retail businesses that have a citywide or larger appeal/draw. The average rental rates are mostly $20 per square foot or more, as shown in **Table 16** . The Regional Nodes largely have a low vacancy rate, with two exceptions, below 5 percent indicating continued demand and no major vacant spaces/boxes.

The two centers that have higher vacancy are the University Plaza area, which has a major vacancy due to the development of a new King Soopers Marketplace and the vacation of the old King Soopers, and Front Range Village. Front Range Village has more than one large vacancy including a vacant box store (former Sports Authority), a vacant stand-alone pad building (former health club), and vacant second floor office space. These vacancies should be monitored to see if the center struggles with refilling spaces/chronic vacancy.

Table 16. Regional Nodes Conditions

Description	Major Anchors	Retail Space (Sq. Ft.)	Weighted Vacancy Rate (%)	Vacant Space (Sq. Ft.)	Average Vacancy Size	Year Built (Average)	Rental Rate (Average)
Regional Nodes							
Mulberry and Lemay Crossings	Walmart Supercenter/Home Depot	344,335	3.0%	10,500	5,250	2003	$32.19
Front Range Village	Target/Lowe's/Sprout's	904,844	13.9%	126,026	18,004	2010	$22.26
Harmony and Lemay	Sam's Club	442,174	2.1%	9,335	3,112	1998	$25.88
Harmony Marketplace Area	Walmart Supercenter/Target/King Soopers	1,469,769	3.1%	45,167	5,646	1993	$25.74
Foothills Mall Area	Dick's Sporting Goods/H&M/Trader Joe's	1,217,001	2.6%	31,361	5,227	1994	$19.88
University Plaza	Whole Foods/King Soopers Marketplace	445,537	17.0%	75,634	75,634	1979	ND
Average		**803,943**	**7.0%**	**49,671**	**18,812**	**1995**	**$24.06**
Downtown							
Downtown Fort Collins	Downtown	1,319,165	5.4%	70,599	3,530	1934	$25.85

Note: "ND" indicates data is not disclosed.
Source: City of Fort Collins; CoStar; Larimer County Assessor; Economic & Planning Systems

Neighborhood Centers and Nodes

The other retail areas identified, outside the Regional Nodes, are oriented towards their surrounding neighborhoods.

Neighborhood Centers

Seven Neighborhood Centers were defined in this effort. These seven areas are all anchored by primary grocery store anchor and fall outside of Regional Nodes. The average size of these centers ranges from 89,000 square feet to 300,000 square feet in terms of retail and commercial square footage. The vacancy rates in these centers are also very low with all but one having vacancy rates of 5 percent or below, as shown in **Table 17**. The one exception is the North College Marketplace area which has a vacant former Albertsons grocery store that has been vacant for several years. The City and Urban Renewal Authority have recently purchased this building to create a community service hub. The average rental rates are lower than found in the Regional Nodes, with an average of $18 per square foot.

Table 17. Neighborhood Centers Conditions

Description	Major Anchors	Retail Space (Sq. Ft.)	Weighted Vacancy Rate (%)	Vacant Space (Sq. Ft.)	Average Vacancy Size	Year Built (Average)	Rental Rate (Average)
Neighborhood Centers							
North College Marketplace	King Soopers Marketplace	307,156	17.1%	52,505	26,253	1999	$16.00
Riverside Shopping Center	Safeway	123,752	1.2%	1,500	1,500	1988	$19.00
Shops at Rigden Farm	King Soopers	126,353	1.4%	1,772	1,772	2007	ND
Scotch Pines Village	Sprouts Farmers Market	88,941	2.7%	2,417	2,417	1980	$19.00
Taft and Elizabeth	King Soopers	119,086	5.1%	6,100	6,100	1982	ND
Drake Crossing	Safeway	129,613	1.9%	2,400	2,400	1991	$16.00
Harmony Market Center	Safeway	123,265	3.2%	3,993	3,993	2000	$19.48
Average		**145,452**	**4.7%**	**10,098**	**6,348**	**1995**	**$17.90**

Note: "ND" indicates data is not disclosed.
Source: City of Fort Collins; CoStar; Larimer County Assessor; Economic & Planning Systems

Neighborhood Strips/Nodes

Eleven Neighborhood Strips/Nodes were defined in the city. These locations contain varying amounts of commercial space and lack a major anchor retailer. Some contain a cluster of neighborhood-oriented stores and restaurants, while others contain disparate mix of businesses with little in common other than the availability of commercial space for lease. Vacancy rates tend to vary more in neighborhood strips with some areas over 10 percent, but average 7.2 percent overall, as shown in **Table 18**. The average rental rates also vary depending on area but are more often lower than the Neighborhood Centers and Regional Nodes.

Table 18. Neighborhood Strips/Nodes Conditions

Description	Retail Space (Sq. Ft.)	Weighted Vacancy Rate (%)	Vacant Space (Sq. Ft.)	Average Vacancy Size	Total Large Vacancies	Year Built (Average)	Rental Rate (Average)
Neighborhood Node/Strip							
North College	250,609	2.8%	7,135	7,135	0	1965	$12.00
Park Central (Prospect/Lemay)	98,040	5.0%	4,948	4,948	0	1978	$22.00
Jessup Farm	106,350	1.5%	1,580	1,580	0	1997	ND
W Elizabeth Street	199,620	6.7%	13,300	2,660	0	1983	$18.65
Poudre Valley Plaza (Horsetooth/Shields	52,764	21.5%	11,320	11,320	0	1996	$15.00
Drake Center	325,617	2.5%	8,225	2,056	0	1994	$20.00
Prospect and College	177,208	0.0%	0	--	0	1962	ND
South College	273,604	3.0%	8,080	2,693	0	1982	$12.35
Timberline and Harmony	229,250	11.0%	25,228	25,228	1	1998	$12.02
Harmony School Shops	149,933	16.8%	25,225	12,613	1	2008	ND
Midtown College	368,365	6.4%	23,749	11,875	1	1977	$16.00
Average	**202,851**	**7.0%**	**11,708**	**8,211**		**1981**	**$17.74**

Note: "ND" indicates data is not disclosed.
Source: City of Fort Collins; CoStar; Larimer County Assessor; Economic & Planning Systems

Land Use Regulatory Conditions

The City of Fort Collins' land use framework envisions many areas to have or allow for a mixture of uses including retail. Also, the City Council's goal of creating a 15-minute city where everyday goods and services can be accessed by residents in a 15-minute travel shed also encourages greater integration of uses. The regulatory environment (i.e., zoning) is largely permissive for retail and commercial uses as a reflection.

The City currently has five primary zone districts that regulate retail and commercial development. The five commercial zone districts, shown in **Figure 11,** all provide an intent statement that illustrates the vision for the district in terms of retail role/focus, mix of uses, size, and scale. However, the regulatory constraints, allowable densities and residential use allowances are all relatively the same. All districts allow for residential uses of at least three stories and variety of residential product types. While the intent statements provide direction on vision for the area, the actual regulations are likely not going to force/direct development to be built much differently. There may be benefits to reconfiguring/redesigning the commercial zone districts, given the relatively similar regulatory environment for retail in the city.

The one exception is the Harmony Road Corridor zone district that allows for significant commercial development mix and is the zoning that covers multiple Regional Nodes. However, this district was designed to support an employment and major commercial/retail use environment. It is the only commercial district that restricts residential significantly, as residential can only be built up to specified percentage of a parcel. This approach of restricting residential in higher value employment/commercial is typical in many communities.

Figure 11. Fort Collins Commercial Zone Districts

District	Intent	Residential Allowance
Neighborhood Commercial	Mixed-use commercial core area anchored by grocery store and a transit stop	• **Types** - Mixed-use, Apartment, Rowhouse, Duplex • **Height** – Up to 4 stories
Community Commercial	Mixed-use, higher density areas	• **Types** - Mixed-use, Apartment, Rowhouse, Duplex • **Height** – Up to 4 stories
General Commercial	Community and regional retail uses, office and service businesses.	• **Types** - Mixed-use, Apartment, Row House, Duplex • **Height** – Up to 4 stories
Service Commercial	High-traffic commercial corridors where a range uses is encouraged	• **Types** - Mixed-use, Apartment, Row House, Duplex • **Height** – Up to 3 stories
Limited Commercial	Existing, small commercial areas adjacent to residential neighborhoods	• **Types** - Mixed-use, Apartment, Row House, Duplex • **Height** – Up to 3 stories

6. Retail Strategy

This chapter outlines recommended strategies to help implement the retail development potentials and needs identified in this report. This includes opportunities to regain or capture regional sales inflows; plan for new centers in underserved areas of the city; strengthen viable commercial centers and nodes; and reposition outmoded retail locations.

Future Demand Opportunities

The Trade Area is forecast to grow by 13,500 households in the next 10 years, which will generate additional demand for $218.4 million in retail spending in the Trade Area supporting an estimated 774,000 square feet of new retail space. The city has the potential to capture a significant portion of this retail growth, even if a large share of this housing growth in the Trade Area will be outside the city limits. The city continues to grow, albeit at a slower rate than in the past as its inventory of buildable lands is shrinking. Nevertheless, EPS estimates 43 percent of the growth in households in the Trade Area will be within the city, and an opportunity for at least a similar share of the commercial space (estimated at 405,000 square feet) to also be in the city, pending the availability and suitability of adequate sites.

EPS recommends the City should be proactive in trying to capture retail development driven by the housing growth that is going to occur in and around the edges of the city over the next 10 years. The three primary areas to focus efforts on attraction of new demand/sales are in existing centers (particularly Regional Nodes) in the city, a regional location along I-25 and in emerging Neighborhood Center locations. Strategies for each retail area type are provided in the next section, which will address supporting capture of new demand.

In addition, EPS recommends the City consider planning for a retail/commercial site(s) that can accommodate 150,000 to 200,000 square feet of retail development along the I-25 corridor to maximize opportunities for attracting highway adjacent retail uses and for capturing retail sales tax revenues from residents of the fast-growing suburbs to the east.

On a Neighborhood Center level, the majority of the projected growth is in the northeast quadrant of the city. EPS therefore supports the city's designation of two Neighborhood Centers to address estimated demand; one at Montava and one at Bloom/Peakview.

Retail Areas Recommendations

The market position and viability of the city's retail centers and nodes is summarized below followed by recommendations for capitalizing on opportunities.

Regional Nodes

Fort Collins continues to serve a regional Trade Area at the center of a growing metropolitan area, despite growing competition. It has a thriving downtown with a strong nucleus of retail, restaurant, and bars, as well as many cultural and entertainment attractions with a regional draw. However, outside of downtown, the regional draw of the city's retail centers and stores has diminished as the surrounding cities and towns have developed their own centers with major stores. In particular, Foothills Mall and Front Range Village have struggled with higher vacancies and below average sales levels. Other portions of the South College and Harmony Road regional nodes have fared better maintaining generally high occupancies and by evolving to stores supported primarily by the citywide market rather than relying on inflow from the larger Regional Trade Area. The strategies for addressing Regional Node were developed to focus on supporting the evolution and long-term health of existing centers.

Attraction/Retention

The Regional Nodes will be the locations where larger and destination retailers can be attracted to. The existing centers will continue to evolve; including some turnover of major retail spaces due in part to larger, national retail market trends and conditions outside of the City's control. Helping these center owners continue to attract and retain major retailers should be the focus. Tools to help these center owners reinvest in their centers and attract major tenants will aid in the continued health of the centers. Tracking of larger vacancies in the Regional Nodes will be a good indicator of the health of the centers.

Land Use

The Regional Nodes are the highest value and most important locations for the city from an economic and fiscal health perspective. Changes to land use regulations should be considered to ensure these areas are supported and not impacted by encroachment of other uses. Currently the Community Commercial and General Commercial districts are most prevalent for parcels in Regional Nodes. The density and built form are envisioned to differ in the two, however standards don't currently dictate much variation between them. Land use changes to consider are the following;

- Reorient a commercial zone district(s) to direct growth in regional nodes. General Commercial could be used for the majority of Regional Nodes except for Downtown and some portions of College Avenue that may be envisioned to be higher density.

- Consider the application of a regionally oriented zone district for Regional Nodes that is distinct from other retail areas. Utilize the application of the zone district to create greater geographic definition of nodes.
- Consider changes to zone district standards that focus on preservation of retail/commercial uses and opportunities by limiting non-supporting uses (i.e. residential). Consider utilization of maximum allowances for residential in the Regional Nodes like the approach used for the Harmony Corridor. Alternatively consider locational standards that allow residential infill on the edge of nodes or on parcels/portions of parcels with inferior access and orientation to major arterials or greater allowances for residential if commercial space is included in a vertical mixed-use building.

Future Opportunities

The demand analysis indicated there is potential to capture additional regionally oriented retailers in the city in desirable locations. In addition to the existing Regional Nodes, there may be potential for an additional node along I-25 that can directly compete for demand driven by growth on the edges of the city. The land around the Prospect and I-25 interchange is the best opportunity for a new node to form. The areas near the Mulberry interchange may be a longer-term opportunity if additional infill/redevelopment occurs along that corridor, and when residential development in the northeast portion of the city occurs.

Neighborhood Centers

The supermarket anchored neighborhood centers in the city are generally viable with low vacancies. The viability of the supermarket anchor is key to the health of these centers. Safeway anchored centers, of which there are three in the city, may be particularly vulnerable, as the chain is struggling and repositioning, and closing a number of stores in the region including the Fort Collins store at 3657 S. College. In the event of a supermarket closure, it will be essential to find a new anchor to maintain the center's viability.

Attraction/Retention

The City should be proactive in providing aid to shopping center owners to maintain and/or replace anchor stores in Neighborhood Centers, especially grocery anchors. The health of these centers is driven by the presence of anchor use. These centers have the ability to attract both national and local retailers, which can provide an opportunity for diverse offerings. A number of these centers are starting to age with the buildings reaching their useful life. Support for reinvestment in the buildings to aid in attraction and retention should be considered to maintain viability of the area.

Land Use

The city currently has a commercial zone district specific for Neighborhood Centers that works well to preserve and create the opportunity for these centers. Ensure that the district standards prioritize the preservation of main commercial center that includes an anchor use(s) and limits redevelopment threats. To that end, consider limitations on residential uses in these districts that are focused on out parcels, sites with chronic vacancy, and projects that provide retail in vertical mixed-use development. These centers can become better integrated into the neighborhoods and more walkable without impacting the retail functions of the center. Greater flexibility in standards to allow for increased public space, walkability, and orientation to neighborhoods should be explored.

Future Opportunities

As mentioned previously, the future demand analysis indicated that there is sufficient demand long-term for two centers in the northeast quadrant of the city to meet needs of new residents. A center in the Montava development area and along East Mulberry as part of the Bloom and Peakview development projects would meet new resident needs. There is a potential for a new neighborhood center to be located along South College Avenue between Skyway Drive and the city's southern boundary to be built if/when additional residential development occurs in the area.

Neighborhood Strips and Nodes

EPS mapped 11 neighborhood retail nodes or strips in the city. These are mostly older retail areas lacking an anchor and with varying levels of quality and focus. Their greatest assets are proximity to surrounding neighborhoods. There are opportunities for re-tenanting of existing spaces and for redevelopment and infill to attract more neighborhood compatible and neighborhood serving businesses to these districts.

Attraction/Retention

These areas support surrounding neighborhoods but are not essential areas to the overall economic and fiscal health of the community. The City can support these areas by allowing for reinvestment and evolution of properties to allow for refill of vacancy and modernization. These areas are primarily locations for small and local businesses and often have lower cost space for new businesses to start in. Support to maintain and reinvest in buildings can help to maintain these lower cost opportunities for new/small businesses.

Land Use

The city currently has two zone districts, Service Commercial and Limited Commercial, that can support these types of areas depending on context. There may be the potential to consolidate these districts into one and/or application of a mixed-use district for some of these areas that have allowances for retail. Loss of these retail spaces to infill and redevelopment is not a major concern, so flexibility for redevelopment should be supported. Similar to Neighborhood Centers, allowing for built environments that increase walkability and orientation to neighborhoods should be allowed.

Retail Store Opportunities

This section of the report focuses on opportunities for attracting specific national and regional retail stores and concepts to Fort Collins. In spite of the continuing growth in market share for e-commerce, bricks and mortar stores still account for 88 percent of retail sales nationwide; accordingly, there are still opportunities to attract new to the market businesses to Fort Collins to fill vacant storefronts, to shore up struggling nodes and centers, and to anchor new retail centers that are anticipated to be developed on the north and east sides of the city.

Top Expanding Retail Chains

According to the National Retail Federation (NRF), the fastest-growing bricks-and-mortar retail chains in 2025 are mostly value-focused or experiential brands, discount stores, specialty grocers, and convenience chains that have aggressively expanded their physical footprints and innovated in customer experience.

The fastest growing national store chains include:

- Value focused – dollar stores and convenience stores
- Discount stores – Target, Walmart, Costco, and Sam's Club
- Specialty grocers – Aldi, Sprout's, Trader Joe's, H-Mart
- Experiential brands/formats – Dick's House of Sports, JD Sports, Rally House
- Food and beverage – new fast food and QSR chains

Expansion Drivers and Trends

Retail store growth is impacted by the continued bifurcation of household incomes in the country. Lower- and middle-income households have been feeling the pinch of inflation, and are therefore focused on value (i.e., low prices, discounts, and affordable goods). Upper-income households - who are generally older and with more disposable income - are actually spending less in stores, but when they do, are seeking experiential and specialty stores, and dining and entertainment experiences.

Many successful new stores feature smaller, agile formats, regional concepts, and hybrid online-offline features. Chains investing in customer experience (loyalty programs, service upgrades, store redesigns), and technology integration, are outperforming those sticking to traditional models. Many existing chains are creating omnichannel sales platforms that unify in-store, online, mobile, and social channels, allowing customers to browse online and purchase in-store, or vice-versa. The merging of online and in-store experiences cuts across store categories;

Walmart and Whole Foods (as part of Amazon) are established grocery-big box industry leaders, and Nike and Zara, to name just two, are specialty store leaders in downtown and mall settings.

Fort Collins Retail Niche

Fort Collins has a unique position in the Colorado market with respect to attracting new retailers, or existing retailers with expansion plans. The city is considered a second-tier market within Colorado, meaning that it is unlikely to land a new to the market store that has not already entered the Colorado market with a store in the larger Denver-Boulder metro area. However, once established with one (or several) successful stores, expanding to the next tier of metro areas in the state (i.e., Colorado Springs and Fort Collins), is a common growth strategy. This is especially true of grocers and other large inventory stores who will want to grow the number of stores operating out of a Front Range distribution facility.

The City of Fort Collins is a relatively young, middle income, and growing market with appeal to specific store categories and chains. It is a logical location for a fast-growing brand entering the state market with a multistore rollout strategy. Similarly, it is a strong location for Colorado-born regional brands expanding within the state. With respect to specific store types, Fort Collins has strong appeal for outdoor equipment and apparel retailers. **Table 19** below highlights a select group of fast-growing retailers with potential for a Fort Collins area store in the next five years.

Table 19. Potential Target Retailers

Description	Subcategory	Number of Stores In CO	Number of Stores In Fort Collins	Number of Stores National	Avg. Size (Sq. Ft.)	Formats
Grocery/Supermarket						
Aldi	Discount	No	No	2,392	17,800-22,000	Neighborhood Center/Urban
WinCo	Discount	3	No	142	80,000-96,000	Freestanding/Neighborhood Center
Trader Joe's	Natural Foods	8	1	608	10,000-15,000	Neighborhood Center/Urban
Sprouts	Natural Foods	34	1	450	23,000-25,000	Neighborhood Centers/Urban
Whole Foods	Natural Foods	23	1	527	40,000-70,000	Freestanding/Power Center/Urban
H Mart	Asian Grocer	2	No	97	40,000-60,000	Freestanding/Power Center
Natural Grocers	Natural Foods	44	1	169	10,000 -12,000	Freestanding/Urban
Health and Beauty Stores						
CVS Pharmacy	Drugstore (Health and Beauty)	55	2	7,000	13,000	Freestanding/Neighborhood Center
Sephora	Health and Beauty	15	1	1,777	1,500	Mall/Urban
General Merchandise						
Wayfair	Furniture and Home Furnishings	No	No	3	125,000	Vacant big box
World Market	Specialty Import	9	1	1	16,000-18,000	Freestanding and strip
Ikea	Furniture and Home Furnishings	1	No	483	300,000	Freestanding
Crate & Barrel	Furniture and Home Furnishings	2	No	130	25,658	Freestanding/Power Center
Dollar General	Dollar Variety	100	No	18,600	7,500	Freestanding and strip
Specialty Apparel						
Arc'teryx	Technical outdoor apparel	4	No	167	3,500-4,000	Lifestyle/Urban
Urban Outfitters	Lifestyle Retail	3	No	733	6,000	Freestanding/Power Center
Zara	Lifestyle Retail	1	No	2150	15,700	Freestanding/Power Center
Vuori	Athletic apparel	4	No	100	2,000-3,000	Mall/Urban
Sporting Goods and Outdoor Recreation						
Dick's House of Sports	Sporting Goods	No	No	22	100,000-120,000	Freestanding//Power Center
Rally House	Sporting Goods	7	No	225	5,000-10,000	Lifestyle Centers
Going Going Gone!	Discount Sporting Goods	No	No	21	30,000-45,000	Dick's store conversions
Entertainment Retail						
Netflix House	Experiential entertainment	No	No	2	100,000+	Vacant department stores
Topgolf	Sports entertainment	3	No	103	55,000-65,000	Freestanding
Build-A-Bear Workshop	Entertainment Retail	5	No	368		Power Center/Activity Center
Restaurants and Bars						
Cheesecake Factory	Sit-down Restaurant	4	No	215	7,000-9,000	Freestanding/Mall
Portillos's	Sit-down Restaurant	No	No	95	5,500-6,000	Freestanding/Actvity Centers
In-and Out Burgers	Fast Food	13	No	418	3,000-3,900	Freestanding
El Pollo Loco	Fast Food	3	No	500	2,200	Freestanding
Shake Shack	Fast Food	10	No	579	3,250	Freestanding/Actvity Centers
Whataburger	Fast Food	8	No	1,157	3,500	Freestanding

Source: SEC 10-K Reports, Other Industry Sources; Economic & Planning Systems

Grocers

The grocery store prospects for the city have greatly improved over previous decades when there were only three store chains (King Soopers, Safeway, and Albertson's) offering more or less the same product mix. More recently, Whole Foods, Sprouts, and Natural Grocers have opened stores featuring natural and organic products in a range of store sizes. Two other grocery store chains, Aldi and WinCo, are moving into Colorado and would be strong candidates to anchor neighborhood centers. Total Wine and More, a national chain liquor superstore, is also a strong candidate.

- **Aldi -** Aldi is a German multinational chain of discount grocery stores that operates 2,392 stores across 39 states in the US, mostly in eastern states and as far west as Nebraska. Currently there are no locations in Colorado, but the company has indicated their desire to expand in the Colorado market. A typical Aldi store averages between 17,800 and 22,000 square feet in total building space, with 10,000 square feet dedicated to sales floor area. Annual sales for Aldi U.S. have been reported at $18.2 billion for fiscal year 2022, with about 2,400 stores in operation at that time.

- **WinCo -** WinCo is a reincarnation of the former Cub Foods store chain. They feature a large warehouse style bulk food format and operate 142 stores primarily in the western United States. Colorado does not have a location as of 2025, but have announced its first store in the state to be built at Lark Ridge in Thornton; they have also purchased properties planned for stores in Firestone and Loveland. A typical WinCo store in the U.S. averages between 80,000 to 96,000 square feet in total building space.

- **Trader Joe's** –Trader Joes, known for its private label products and its "Two Buck Chuck" wine, currently has 608 stores in 43 states, including eight in Colorado and one in Fort Collins. The average store size is 10,000 to 15,000 square feet; however, a new store in downtown Westminster is 25,000 square feet. In 2023, total chain sales were estimated at $16.5 billion, which from 563 stores, which equates to approximately $2,000 sales per square foot, much higher than most grocers.

- **Natural Grocers** – Natural Grocer's is a Colorado-based health foods chain. As of 2024, the company operates 169 stores in 21 states and has a presence in every state west of the Mississippi except for California. Colorado is home to 45 stores, including one store in Fort Collins. Natural Grocers have an average store size of 11,000 square feet. In 2024 sales were estimated at $1.24 billion, or $668 per square foot.

- **Total Wine and More -** Total Wine is a fast-growing national wine and liquor chain with 285 stores in 30 states and five Colorado locations, all in the Denver metro area. They are adding 15 to 20 new stores per year, and Fort Collins would therefore be a logical Colorado expansion location. The chain favors empty boxes and new buildings in power center locations with stores averaging 25,000 to 30,000 square feet.

General Merchandise and Home Furnishings

General merchandise department stores are continuing to struggle with many chains closing stores. Large one-in-the-region retailers, like Ikea and Wayfair, are not likely candidates for Fort Collins. Opportunities exist for specialized home furnishings businesses including World Market, Crate and Barrel, and RH.

- **World Market -** World Market (formerly Cost Plus World Market) is a chain of specialty/import retail stores selling unique furniture, home decor, international foods, and specialty items. There are currently 246 locations in the U.S. with nine locations in Colorado and one location in Fort Collins at Front Range Village. Stores average between 16,000 and 18,000 square feet in size. Total sales were $1.8 billion in 2024, or $7.3 million per store, or about $430 per square foot.

- **Crate & Barrel** – Crate and Barrel is a furniture and home goods retailer that specializes in upscale homeware, furniture, and décor merchandise. C&B operates 130 stores across eleven countries. Four stores are located in Colorado, all in the Denver metro area. C&B stores average 26,000 sq ft in size according to CoStar data. Across all stores, C&B has 3.3 million square feet of retail space. According to Forbes, C&B generated $2.5 billion in revenue in 2024, corresponding to $750 per square foot.

Sporting Goods and Outdoor Recreation

Fort Collins is high on the radar of outdoor recreation companies and sporting goods retailers in general. A number of outdoor apparel brands found in larger stores (e.g., Patagonia, North Face, Eddie Bauer) have opened their own stores in malls, specialty retail areas, and outlet malls, but are not growing. Two growing store chains with opportunities for Fort Collins are profiled below.

- **Dick's House of Sports** - Dick's HOS is a large format experiential retailer with a focus on hands-on customer engagement. The stores have climbing walls and golf simulators and are roughly twice the size of a standard Dick's Sporting Goods store at 100,000 to 120,000 square feet. There are currently 22 Dick's HOS location in the US. Dick's HOS plans a rapid store roll-out with 75-100 stores expected by 2027, with Colorado locations likely in that timeframe.
- **Rally House** – Rally House is a rapidly growing sports apparel and merchandise retailer featuring Nike and Columbia and other top brands and including a broad assortment of officially licensed apparel and merchandise from Colorado professional and college teams. There are currently 225 locations across 21 states with six Colorado locations in Castle Rock, Boulder, Centennial, Lakewood, and Westminster. The average store size is 5,000 to 10,000 square feet with larger stores at prominent locations like the Pearl Street Mall in Boulder.

Specialty Stores

The most successful specialty stores are incorporating omnichannel strategies and enhanced in-store experiences. This trend extends to specialty apparel, sportswear, beauty, and value-focused retail formats within mall environments. Fast growing mall specialty stores include Lululemon, Sephora, Arc'teryx, ZARA, and Vuori. Lululemon and Sephora already have a Fort Collins presence. Arc'Teryx, ZARA, and Vuori are fast growing brands expanding in Colorado and potential targets for Fort Collins.

- **Arc’teryx -** Arc’teryx is a fast-growing, high-end, outdoor apparel and specialty store focused on technical apparel for high-performance climbing, trail running, hiking, and snow sports. As of 2024 Arc'teryx has 176 branded stores globally, with 65 stores and 7 factory outlets located in North America. The company opened 33 net new stores in 2024 and plans a similar expansion pace in 2025 with 25 to 30 new stores. There are four stores in Colorado including two in Denver and one in Boulder and an outlet store in Castle Rock. The average size of most Arc'teryx stores is around 3,400 to 3,500 square feet. According to Fashion Network, Arc’teryx sales were estimated at $2 billion in 2024, corresponding to $3,245 sales per square foot.

- **ZARA -** ZARA is a fast-growing global clothing, accessory, and beauty products store headquartered in Spain. They are a subsidiary of Inditex, a global retail group with nine brands under its umbrella. According to company 10k reports, ZARA had 2,150 stores globally with one Colorado location in the Cherry Creek Mall. In 2024, ZARA had 33.8 million square feet of store space and $27.78 billion in sales in 2024, or $822 per square foot.

- **Vuori –** Vuori is an athletic clothing retailer for men and women including joggers, leggings, sweatpants, shorts, hoodies, t-shirts, and tank tops. It has approximately 100 stores in the U.S. including four in Colorado in Aspen, Cherry Creek Mall Denver, Boulder, and in Castle Rock Outlet Mall. Vuori is an omnichannel merchant, operating a network of branded stores in the U.S., a robust direct-to-consumer website, as well as distribution through select third-party retailers such as REI. Average store sales are $3 to $4 million or over $1,000 per square foot.

Entertainment Retail

- **Netflix House -** Netflix House is a large format experiential retail attraction themed around Netflix shows, including mini golf, VR gaming, interactive story events, live performances, dining, and branded merchandise. There are currently two Netflix House stores: one at the King of Prussia Mall near Philadelphia and one at Galleria Dallas in Texas with a third planned for Las Vegas in 2027. Plans are for expanding to 50 to 60 worldwide. Netflix House stores are each over 100,000 square feet in size, occupying former department store anchor spaces in major regional malls. This makes them among the largest single-brand entertainment retail experiences in the US.

- **Build-A-Bear-** Build-A-Bear is a mall-based, experiential specialty retailer designed for children. During store visits, customers go through an interactive process where they customize a stuffed animal of their choice. BaB operates 369 corporate locations across the US and UK. Colorado has six locations, including one in Loveland. The average size of a store is 2,143 square feet. The latest store sales data show $496.4 million in net retail sales, corresponding to $628 sales per square foot in 2025.

Restaurants and Bars

Dining and entertainment continue to be among the fastest growing retail categories including fast food and quick serve casual (QSR) chains. In burger restaurants, In-and-Out Burgers is the hottest brand in Colorado with 13 locations in the Denver metro area and Colorado Springs, and new stores planned for Longmont, Broomfield, and Timnath. There are also a proliferation of new chicken restaurants including Chick-fil-A, Raising Canes, Popeye's and El Loco Pollo.

Many of the newest sit-down restaurants are locally owned and chef driven businesses. The market is extremely competitive with as many closings as openings. Among national restaurant chains, three growing operators may be candidates for Fort Collins.

- **Cheesecake Factory -** The Cheesecake Factory is a large full-service restaurant chain with an extensive menu and more than 30 varieties of cheesecake. There are 215 locations in the U.S., making it one of the largest casual dining chains in the country. The average store size for The Cheesecake Factory is typically between 7,500 and 10,000 square feet, The restaurant has two Colorado locations, in Downtown Denver and in Park Meadows Mall in Lone Tree.
- **PF Chang's -** P.F. Chang's is a national Asian and Chinese restaurant chain with 208 locations nationally and nine in Colorado, the newest at Orchard Town Center in Westminster. The average restaurant is 9,600 square feet with average sales of $4.37 million or $455 per square foot.
- **Portillo's** – Portillo's is a Chicago based restaurant chain featuring Chicago food specialties including Chicago-style hot dogs and Italian beef sandwiches There are 95 existing locations with two existing stores in Colorado at Northfield in Denver and in Colorado Springs, and has plans for new locations. Average size for new restaurants is 5,500 to 6,000 square feet and Average annual sales are estimated at $8 to $11 million per year and approximately $982 per square foot.

Retail Support Tools

The City of Fort Collins has several financial tools that can be used to support new retail development and existing retailers/property owners. There are two categories of tools to consider retail sales tax incentives and development and business support tools.

Retail Incentive Options

This section reviews retail incentive policies and programs in place in nearby cities and towns in the northern front range region. The plusses and minuses of Fort Collins adopting such policies are then discussed.

Background

Retail recruitment is highly competitive amongst Colorado municipalities. Cities compete largely because of the importance of sales taxes as the primary source of annual revenues for most cities. It has become increasingly common for desirable retail stores that are projected to generate significant net new sales tax revenues to seek a sales tax incentive from a municipality. Costco is the most notable example. With an average 150,000 square foot store generating an average of $135 million or $900 per square foot in taxable sales, it represents a major increase in sales tax revenues for most cities. Buc-ee's, new to the state, is another retailer who commonly seeks a share of its future sales tax as an economic development incentive. Buc-ee's travel centers average 74,000 square feet and generate an average of $50 million in taxable sales, which is a major boost to the smaller towns in which they are located.

Sales Tax Sharing

The most common forms of sales tax revenue sharing are Enhanced Sales Tax Incentives Programs (ESTIP) and direct sales tax shareback agreements as summarized below:

- ESTIP – an Enhanced Sales Tax Incentive Program is a formal policy or program whereby a municipality will share a portion of the future sales tax revenues generated by a new or expanding retailer for a specified period of time or up to a not to exceed total. A number of nearby cities have adopted an ESTIP policy (or equivalent) including Loveland, Berthoud, and Timnath as shown in **Table 20**. Most cities with an ESTIP program establish a minimum threshold of net-new sales tax as an eligibility criterion.
- Sales Tax Shareback – A number of area municipalities have negotiated sales tax revenue sharing agreements with major retailers as part of a development or annexation agreement. Notable nearby examples include Costco's store in Timnath. The Town agreed to rebate 50 percent of the net-new sales tax attributable to the store for a period of five years. In another significant local example, the Town of Johnstown agreed to share 1.5 percent of its local sales tax to Buc-ee's for a 25-year period.

Table 20. Sales Tax Sharing Agreements

	Timnath	Erie	Loveland	Northglenn	Berthoud
Type	Statutory town	Statutory town	Home rule city	Home rule city	Home rule town
Population	10,848	30,155	82,252	35,219	12,754
Policy or Ordinance	Enhanced sales tax incentive	Enhanced sales tax incentive	Retail development incentive	Enhanced sales tax incentive	Commercial and retail development incentive
Purpose	Economic development tool to support small businesses and redevelopment efforts in designated areas	New or expanding retail business	1) Fills or expands a retail need not being met, or 2) is a redevelopment/infill project in a defined priority area	Establishment and/or expansion of retail sales tax generating businesses	Encourage the development and redevelopment of retail and commercial propertis in the central business area that:1) fill an identified retail gap, 2) create an infill or redevelopment opportunity along Mt. Ave Corridor, or 3) create a live-work mixed use development
Eligibility Criteria	Meets above purposes	$20,000 in new sales taxes per year	Meets above purpose	Meets above purpose	Minimum investment of $100,000 in building or equipment in first year after incentives awarded
Use of Funds	Building improvements, façade upgrades or significant redevelopment	Public or public-related purposes	Public improvements	Not specified	Not specified
Maximum Incentive	Up to 50% or net new sales tax - maximum amount or length of time not specified	No more that 50% of net new eligible sales taxes	Sales tax rebates considered on a case-by-case basis	Shareback of up to 75% of incremental sales taxes over approved term	Waiver of construction sales and use taxes; sales tax rebates on case-by-case basis - not to exceed 5 years or 5% of total project budget
Other Incentives	May also consider refunds on construction use tax or building permit fees	May also request reduction or waiver of fees (application, permit and/or development fees)	Waiver of development fees,use taxes, capital expansion fees, or impact fees	None specified	Façade improvement grants up to 25% of total cost and maximum of $10,000. Public infrastructure reimbursements on case-by-case basis
Approval	Town Board	Board of Trustees public hearing	City manager approval below $30,000, City Council above $30,000 up to maximum of $150,000 in one year	City Council	Town Board

Other Sales Tax Incentives

Developers of major shopping centers or other retail-based mixed-use developments often also approach cities requesting a financial incentive involving a share of sales tax revenues as part of a public investment package. This is most often implemented through the imposition of a public improvement fee (PIF). A PIF is a privately imposed fee added by developers or property owners to sales transactions at businesses located in the development to fund infrastructure improvements. There are two types of PIFs, an Add-on PIF or a Credit PIF as summarized below.

- Add-on PIF – An Add-on PIF is a private fee over and above the sales tax on business transactions in a major retail development charged by the owner for operations and marketing expenses. PIFs typically range from about 0.5 percent to 2.5 percent of the sales price. These fees are most often used as a revenue source for metro district bonds taken on by the developer to finance the construction and maintenance of public improvements.
- Credit PIF – Under a credit PIF agreement, a municipality would agree to provide a developer with a temporary sales tax credit equal to the amount of a PIF imposed within the designated development to pay for public improvements and economic development incentives. A local example is Johnstown Center in the Town of Johnstown which has a 1.5 percent credit PIF. The developer receives the equivalent of 1.5 percent of sales tax generated, and the Town agrees to reduce its sales tax by an equal amount.

Incentives Considerations

ESTIPs, or other sales tax sharing programs or ordinances, are typically used by smaller communities to encourage retail business start-ups or expansions. They can also be used by larger communities (e.g., Loveland) as an economic development tool to encourage investment in specified redevelopment areas. The City of Fort Collins could potentially consider the use of an ESTIP as part of its larger economic development or redevelopment toolkit.

Other sales tax shareback agreements, or other sales tax based incentives, are generally a one of a kind consideration for major retailer and/or for major development projects with a significant retail component. The City, as a general rule, is not inclined to share sales tax revenues as it is the City’s most important source of funding. However, there may be circumstances where a shareback may be warranted for competitive considerations or for extraordinary redevelopment costs in excess of what can be addressed by tax increment under urban renewal.

Development and Business Support Tools

The other set of tools are ones that support the development, redevelopment, and reinvestment into retail spaces and businesses. The City of Fort Collins utilizes some of these tools already, but they are provided to illustrate their applicability to implementing recommendations.

Districts

Urban Renewal Authority (URA)

Urban Renewal Authorities (URA) are designed to address blighted economic conditions through the use of its redevelopment powers including land assembly and tax-increment financing (TIF). TIF allows new property taxes from all taxing entities, as well as new local sales, and/or lodgers tax generated in the URA district to be earmarked for public improvements in the district. URAs have a limited life of 25 years, after which the increase in property tax is returned to the City's General Fund. URA tax dollars can either be applied to project costs as a "pay as you go" model, or future tax dollars can be bonded against to fund upfront capital costs. An additional advantage for retail projects is that the City can also TIF the future local portion of sales tax under its home rule powers.

The Fort Collins Urban Renewal Authority currently has three active districts which are all along College Avenue. The City has already been active in utilizing urban renewal to support the reinvestment and redevelopment of retail areas including the Midtown College URA that was formed to support the redevelopment of Foothills Mall and the recently formed College and Drake URA which was formed to support the development of a new King Soopers Marketplace and is also facilitating the redevelopment of older retail and auto uses to mixed use development. The City has also utilized urban renewal on North College to support reinvestment but has utilized the tax increment in more diverse ways including programs to support small businesses and property acquisition. Urban renewal could be a tool that the City can utilize to support reinvestment in shopping centers in Regional Nodes or helping lower value, underutilized commercial centers redevelop into higher density uses.

Title 32 Metropolitan District (Metro District)

A Metro District is an independent special district formed to develop and/or operate two or more public infrastructure improvements such as roads, utilities, parks, or public parking. A metro district is most often created by a land developer (but requires the city's approval of the service plan) to apply an additional mill levy to future development to create a revenue stream to help pay for infrastructure costs. There are limitations to the mill levy that can be imposed on retail tenants without negatively impacting lease rates and project NOI. This financing tool also is not effective for recruiting individual major retail targets.

The City has a Metro District policy that specifies when and where the City may support the creation of a district in the City's boundary. The City has preferred to only support districts when the project is commercial/employment oriented. Formation of a Metro District could be away to support development of new commercial centers in high priority areas such as a new regional node along I-25 or supporting a Neighborhood Center development in the northeast quadrant of the city.

Business Improvement District (BID)

A BID is a district-based quasi-public or private agency governed by a board of directors that can be appointed by the mayor, elected by the district, or assumed by an existing URA, DDA, or GID board. BIDs are by commercial property owners (requires 50 percent of non-residential property) in a contiguous (or noncontiguous) area to provide necessary services such as planning, managing development activities, promoting or marketing, business recruitment, and/or maintenance. BIDs are generally more operationally-focused than URAs or DDAs and act as a type of manager of a business district, similar to a retail mall manager. BIDs have the power to assess costs of service to local property owners through either an additional property tax (mills) or a special assessment charge. BIDs are important management tools for existing business districts addressing "clean and safe," marketing and promotions, events, and economic development. They do not have the revenue generating potential for specific recruitment incentives or gap financing.

The City has one formal BID in the city that was formed to support the Midtown Corridor/Foothills Mall area. The Downtown area has both a General Improvement District and Downtown Development Authority established to support that area. The City could explore encouraging and supporting the formation of additional BIDs to support major retail areas including Regional Nodes or for existing or forming Neighborhood Centers that have several centers/property owners that may want to work together. The South College Avenue corridor may be an opportunity for disparate business and property owners to for a BID to promote and invest in the areas an emerging retail/small business node.

Business Improvement Loans/Grants

The City could consider the creation of a business support loan and/or grant program that can help support small and local retail businesses with starting/ growing their businesses and/or with making improvements to their existing buildings. There are variety of different focuses and program structures that could be considered. The primary goal is to provide businesses with greater access to capital through low or zero interest loans or grants that can help address challenges. These programs are often focused on small businesses with relatively modest grant or loan amounts (e.g. $50,000) and can be funded by the City through various mechanisms including urban renewal. Example programs other communities use include façade/building improvement grants/loans, small business start-up loans, business expansion (e.g., second location) support loans/grants.