

WORK SESSION AGENDA ITEM SUMMARY

City Council



STAFF

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SUBJECT FOR DISCUSSION

Update to Business Assistance Policy

EXECUTIVE SUMMARY

The purpose of this item is to gain alignment with Council regarding updating and expanding the Business Assistance Package Policy ("Policy"). This policy works to establish a clear, consistent framework for the City to deploy business and retail incentives that are transparent, performance-driven, and fiscally responsible. The intent is to support long-term economic vitality by aligning public investment with measurable outcomes such as job creation, wage growth, capital investment, and net-new sales tax generation. Through a tiered approach, the policy supports primary employer attraction and expansion to create high paying jobs, strategic retail development to enhance competitiveness and reduce leakage, and support of small business investments through targeted tools like the Economic Development Fund, while maintaining strong governance, Council oversight, and prudent stewardship of public resources. The Policy is to support net new investments into the community.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Do these business incentives align with current Council Priorities?
2. What gaps does Council see in the policy direction?
3. Does the Economic Development Fund go far enough to support business?

BACKGROUND / DISCUSSION

This policy works to establish a clear, consistent framework for the City to deploy business and retail incentives that are transparent, performance-driven, and fiscally responsible. The intent is to support long-term economic vitality by aligning public investment with measurable outcomes such as job creation, wage growth, capital investment, and net-new sales tax generation.

At its core, the policy prioritizes incentives that are earned, not upfront, ensuring public funds are only distributed after agreed-upon performance metrics are achieved. All incentives are structured to be capped, time-limited, and directly tied to verified positive economic impact, reinforcing accountability and stewardship of public resources.

The policy supports durable economic growth by focusing on three primary areas:

- Attraction and expansion of primary employers¹ that bring net new economic activity into the community
- Strategic retail development that strengthens regional competitiveness and reduces sales tax leakage
- Small business² support through targeted tools like the Economic Development Fund

A tiered incentive structure allows the City to tailor its approach based on project scale and impact, from large-scale business attraction and regional retail recruitment to neighborhood revitalization and small business assistance. Non-financial tools, such as expedited development review and infrastructure cost management, further enhance project feasibility and delivery without direct fiscal exposure.

Strong governance and oversight are central to the program. All financial incentives require Council approval, remain subject to annual appropriation, and include rigorous reporting, audit, and performance requirements. The City retains full discretion in evaluating and approving projects to ensure alignment with community priorities and fiscal conditions.

Overall, this policy positions Fort Collins to compete effectively for high-impact investment, support local businesses, and guide growth in a way that is strategic, equitable, and financially sustainable.

NEXT STEPS

If the updates to the Business Assistance Incentives are supported by Council, staff will bring back a Policy for adoption in June.

ATTACHMENTS / LINKS

1. Business Assistance Policy Update Presentation

¹ Primary employer is defined as a business that brings in more than 50% of its revenue from outside of the City.

² Small Business is defined as an operation with 50 employees or less.