

# WORK SESSION AGENDA ITEM SUMMARY

City Council



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## STAFF

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## SUBJECT FOR DISCUSSION

**Council Priority: Pursue an Integrated Approach to Economic Health**

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## EXECUTIVE SUMMARY

The purpose of this work session is to provide a comprehensive update on Council Priority #3: Pursue an Integrated, Intentional Approach to Economic Health. The update includes 2024 accomplishments, 2025 work plan highlights and discussion of emerging challenges, strategic alignment and opportunities to strengthen the City's role in supporting economic resilience and inclusive prosperity.

Economic health in Fort Collins is not the responsibility of a single department or sector. It is the result of strong relationships, collaborative governance, intentional strategy and sustained investment. As the city navigates a rapidly changing environment shaped by workforce transitions, technological disruption, climate policy and affordability pressures, this Council Priority serves as a critical framework to ensure the local economy delivers tangible benefits to the entire community.

Staff will provide an overview of the City's integrated approach and preview how cross-sector efforts are supporting a healthy, equitable and resilient economy. Council feedback will help shape future direction and inform prioritization, policy development and resource allocation through the remainder of 2025 and beyond.

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## GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Are there other things Council is hearing from the community about the economic health of Fort Collins that we should be considering?
2. Does the work plan align with Council expectations?
3. What additional strategies would Council like staff to explore?

## BACKGROUND / DISCUSSION

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### **Economic Health: Why It Matters**

A thriving, resilient economy supports every aspect of life in Fort Collins—from affordability and opportunity to innovation and sustainability. Economic health, however, does not occur by accident. It requires intentionality: engaging a broad spectrum of businesses and workers, addressing systemic barriers, and adapting to evolving realities. This Council Priority reflects the belief that inclusive prosperity cannot be siloed; it requires collaboration, shared accountability and long-term thinking.

While many communities focus either on small and Main Street businesses or on primary employers, Fort Collins recognizes the importance of supporting both. Small businesses are essential to the city's identity, innovation and job creation. Primary employers, meanwhile, generate significant economic output, bring new dollars into the community and play a critical role in advancing clean tech and bioscience goals.

Staff have been tasked with five strategic priorities:

#### **1. Expand Business Retention and Expansion Program to Include Attraction (BREA)**

Business attraction efforts are focused on growing sectors that align with Fort Collins' values—not on driving population growth for its own sake. The City targets companies in clean tech, biosciences and other innovation industries that offer high-wage jobs, support economic mobility and invest in sustainability.

##### **Headquarter Visits**

- Two visits planned in 2025 with companies headquartered outside Fort Collins
- Focus on nurturing relationships, identifying opportunities for collaboration and alignment, exploring expansion potential and addressing long-term risk factors

##### **SelectUSA Representation**

- Invited by the State of Colorado to represent Fort Collins at the 2025 SelectUSA Investment Summit
- Focused meetings scheduled with site selectors in clean tech and bioscience

##### **Shared Business Visits**

- Proactive, coordinated outreach and engagement to minimize fatigue and maximize value.
- Ongoing collaboration with the Fort Collins Area Chamber, Larimer County Economic & Workforce Development, Fort Collins Utilities, Sales Tax and City Manager's Office.

##### **Economic Roundtable**

- Quarterly convening of business leaders co-facilitated by the Fort Collins Area Chamber, Larimer County Economic and Workforce Development, and the City's Economic Health Office
- Enables two-way communication to support open dialogue, shared understanding and informed decision-making

##### **Northern Colorado Regional Economic Development Initiative (NoCO REDI) Marketing Strategy**

- Regional collaboration among economic developers to share insights and address common challenges

- City staff supporting a shared Northern Colorado brand that highlights regional advantages while honoring local identity

### **Aligning with Colorado Office of Economic Development & International Trade (OEDIT).**

- Strengthened relationships help ensure OEDIT's efforts reflect Fort Collins' economy, priorities and community ethos
- Supports alignment between state-led attraction efforts and local business needs

## **2. Understand Barriers to Business to Support Small Businesses**

This work supports small businesses by improving access to resources and creating systems that are clear and easy to navigate. The goal is to ensure every entrepreneur knows where to go for help—and can get it without unnecessary hurdles.

### **Barriers to Business Study**

- Partnered with the Institute for Justice / Cities Work to study Fort Collins' business-friendliness
- Focused on City processes, including research, benchmarking and stakeholder interviews
- Recommendations will aim to simplify, expedite and reduce the cost of doing business
- Findings expected by the end of Q2

### **Policy and Structural Shifts for a Good Business Environment**

- Advocate for land use policies that increase predictability, reduce costs and streamline processes for small businesses
- Ensure internal code enforcement practices reflect real-world small business experiences by elevating their voices in implementation conversations
- Collaborate with Transportation Planning to embed economic vitality into all project planning and execution
- Collaborating with Sales Tax, Building, Planning and Zoning to ensure businesses understand and meet certificate of occupancy requirements during the licensing process, improving compliance and reducing future issues

### **NOCOBiz Connect (NBC)**

- NOCOBiz Connect empowers businesses through resources, free technical assistance, education and networking aligned with climate action, equity and economic priorities.
- In 2024, engaged 306 businesses - 78 of which actively participated - and conducted 20 sustainability assessments.
- Hosted 16 events with 483 attendees and reached 937 additional individuals through outreach
- Developed a Triple Bottom Line resource database with over 152 listings.
- Now expanding to Wellington and Berthoud through a new partnership with Larimer County to provide place-based, bilingual support for sustainable local business growth.

### **Small Business Outreach and City Manager's Office Visits**

- The Multicultural Business and Entrepreneurship Center (MBEC) continues to support the most underrepresented and underserved businesses in navigating the complex business startup world and has expanded to include Business Retention and Expansion to support Fort Collins small business community.
- The Economic Health Office facilitates visits with the City Manager's Office to reinforce consistent Citywide support for small businesses.

### **Capital Projects**

- Provide proactive support to small businesses affected by City infrastructure and safety projects to safeguard business continuity and minimize disruption during major capital construction
- Collaborate with City Transportation Planning to ensure current and future economic vitality is a core consideration in all project planning and implementation

### **Place-Based Assessment**

- Work with Planning to create opportunities to continue to support the most relevant Place-Based Assessment Findings
- Code changes that reduce barriers to commercial, mixed-use and multi-unit residential development are likely to be most impactful in areas of Fort Collins where markets are strongest.
- In areas with average and weaker markets, public/private partnerships and next level planning may be needed to encourage significant change.

### **Community Kitchen**

- Business engagement and MBEC client feedback revealed strong demand for a commercial kitchen and/or commissary space
- Options are currently limited and cost-prohibitive
- The Economic Health Office is exploring a partnership with Denver-based Mi Casa to assess the viability of a City-run commercial kitchen with incubator or accelerator programming

### **Procurement Initiative**

- Partnered with Larimer County Economic and Workforce Development and the New Growth Innovation Network (NGIN) to explore equitable procurement practices
- The initiative is being adopted at the County level; City staff have paused pursuit pending internal support and direction

### **Emergency Preparedness Toolkit**

- Collaborating with Emergency Preparedness staff to develop a toolkit specifically for businesses
- Designed to help businesses prepare for and respond to disruptions that could impact economic stability

## **3. Utilizing Business Data and Research in Policy and Business**

This work focuses on leveraging available economic data to support business retention, expansion and attraction efforts. It also informs policy decisions, improves efficiency, supports resource allocation and identifies emerging challenges and opportunities across the Fort Collins economy.

### **Job Quality Access Tool:**

- Developed in partnership with TIP Strategies
- Maps access to high-quality jobs by income, race/ethnicity and geography
- Beta version expected in Q3 2025

### **Regional Labor Force Update:**

- Produced in collaboration with the Fort Collins Area Chamber of Commerce and Larimer and Weld County partners
- First update since 2017
- Includes labor participation trends, wage growth and skills gaps
- Intended to guide future workforce strategy and initiatives

### **Regional Business Climate Survey**

- Co-leads regional data initiatives through the NoCO REDI network
- Includes business surveys, updated economic profiles and regional marketing materials
- Compiles and reports on the Larimer and Weld County business climate twice per year

### **Retail Analysis**

- Leading a citywide retail analysis to support data-informed policy guidance
- Aims to align economic development goals with other strategic initiatives such as the 15-Minute City concept
- Enhances cross-departmental coordination to ensure outcome-driven implementation

### **Labor Force Dashboard**

- Supporting the Recovery team in the creation of a labor force dashboard
- Aggregates commonly requested metrics for Fort Collins, Larimer County and the U.S.
- Provides a shared data resource for City staff to reference and communicate consistently

## **4. Support and Accelerate Workforce Training Programs**

We partner with workforce agencies and industry to fill skills gaps, promote economic mobility, and ensure workers can access quality jobs.

### **LIGHTR Grant (2024)**

- \$50,000 available to small businesses; \$36,000 awarded to-date
- 50+ employees trained in a broad swath of industries (Welders, general contractors, counselors, event venue, salon)
- Administered jointly with Larimer County Economic and Workforce Development

## **Sector Partnerships**

- Active support for healthcare, hospitality, construction, clean energy, and bioscience.
- Participation in monthly convenings to match training to employer demand.

## **NoCo Works**

- Continued development of one-stop regional workforce website.
- SourceLink platform soft-launched in Q2 2025.

## **5. Coordinate and Leverage Economic Opportunities in Innovation**

We are actively positioning Fort Collins as a hub for mission-driven innovation, with a focus on sectors that create good jobs and solve real problems.

### **NoCo BioComm:**

- Regularly convenes over 50 stakeholders in the bioscience sector
- Group skews younger and includes increased gender and cultural diversity

### **Innovation Ecosystem Partnerships:**

- Collaborates regularly with regional partners including Colorado State University (CSU), CSU Strata, Innosphere Ventures, OEDIT and the Colorado Bioscience Association
- Pursues joint grant proposals and shared infrastructure efforts, including the Circular Economy Collaboratory, NSF Colorado-Wyoming Climate Resilience Engine and EDA-designated Quantum Tech Hubs

### **Federal & State Investment:**

- Supporting implementation of the NSF Colorado-Wyoming Engine with a focus on workforce readiness and alignment
- Exploring Department of Energy and Environmental Protection Agency climate-tech funding opportunities aligned with Our Climate Future

### **Our Climate Future Integration:**

- Leveraging innovation as a tool to achieve sustainability, climate and equity goals
- Aligning City investments with long-term economic opportunity outcomes

## **Monitoring & Curiosities**

Staff are actively tracking key indicators and community sentiments that may influence the local economy and require adaptive responses.

### **Sales and Use Tax Revenue:**

- Observing year-over-year softening across multiple categories, particularly in retail and hospitality
- Anecdotal reports suggest consumer pullback tied to inflation and rising costs of living

### **Federal and State Policy Shifts:**

- Monitoring changes in trade, labor and environmental regulations that may affect key industries
- Anticipating potential impacts from proposed tax credit programs and federal funding opportunities

### **Business Owner Mental Health & Burnout:**

- Reports from resource partners and BRE visits indicate elevated levels of fatigue, stress and anxiety among small business owners
- Challenges are particularly acute for owners managing complex regulations, staffing shortages and ongoing economic uncertainty

### **Restaurant Sector Profit Margins:**

- Industry benchmarks and local reports show average margins hovering around 2%, raising concerns about long-term viability
- Businesses cite rising food costs, labor expenses and customer price sensitivity as top challenges

### **Questions of Economic Confidence and Community Morale:**

- Increasing feedback from business owners and residents questioning whether Fort Collins remains a place where entrepreneurship and innovation are truly accessible
- MBEC appointments have slowed, suggesting hesitation among entrepreneurs to launch or grow businesses in the current climate
- Staff are exploring ways to better highlight success stories and celebrate business resilience to help foster optimism and a shared sense of purpose

### **NEXT STEPS**

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Staff will continue implementing the 2025 Economic Health work plan while refining performance measures and deepening partnerships with community and regional stakeholders. Several strategic initiatives - including the Job Quality Access Tool, labor force analysis, and entrepreneurial ecosystem improvements - will deliver key insights to inform policy and investment decisions later this year.

Staff will also support cross-departmental efforts to align economic health with broader City goals related to land use, climate action, equity, and infrastructure. Council feedback from this session will guide prioritization and resource alignment through the remainder of 2025.

### **ATTACHMENTS**

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1. Economic Health Strategic Plan
2. Presentation