September 8, 2026

WORK SESSION AGENDA ITEM SUMMARY

City Council

STAFF

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SUBJECT FOR DISCUSSION

Proposed Economic Development Investment Program (EDIP) Framework as a Complement to the Updated Business Assistance Policy

EXECUTIVE SUMMARY

The purpose of this item is to discuss a proposed Economic Development Investment Program (EDIP) framework intended to complement the City's updated Business Assistance Policy (BAP) by expanding the City's ability to support small businesses and other strategic business investment/reinvestment opportunities that generate measurable community and economic benefit.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Does the proposed EDIP framework reflect Council's desire to expand support for small businesses and other business investment/reinvestment opportunities that do not meet the requirements of the BAP?

2. Are there additional considerations or guardrails Council would like staff to evaluate before returning with a proposed EDIP policy for adoption?

BACKGROUND / DISCUSSION

The City's BAP has historically provided a framework for supporting primary business attraction, retention, and expansion projects through performance-based incentives tied to measurable economic outcomes. Council recently directed staff to modernize the policy to ensure it remains responsive to today's economic environment and competitive regional landscape.

During the policy update, Council expressed interest in expanding support for small businesses and other investment/reinvestment opportunities that may not align with the scale or eligibility requirements of the Business Assistance Policy. Staff regularly encounters projects that can generate meaningful community and economic benefit (including commercial reinvestment, activation of vacant or underutilized space, business expansion, and neighborhood-serving amenities) but may not warrant a comprehensive incentive agreement.

In response, an EDIP is being proposed as an additional tool within the City's economic development toolbox. The proposed framework was informed by existing City policies, staff experience, peer-community research, and interviews with economic development professionals across Colorado. The EDIP is intended to complement existing programs and may be used independently or alongside other local, regional, state, and federal resources when appropriate.

PROPOSED ECONOMIC DEVELOPMENT INVESTMENT PROGRAM FRAMEWORK

Purpose

The EDIP is intended to provide targeted financial assistance for business investment/reinvestment projects that generate measurable community and economic benefit. The program responds to Council's interest in expanding support for small businesses while remaining flexible enough to address other investment opportunities where modest public participation can influence project outcomes.

The EDIP is intended to reduce barriers for projects that would likely occur differently, or not at all, without public participation. The City's role is not to replace private investment, but to strategically participate where City assistance can improve project feasibility, leverage additional private investment, or achieve community outcomes such as revitalizing vacant commercial property, expanding employment opportunities, increasing the local tax base, or improving neighborhood-serving amenities.

The EDIP is not intended to subsidize routine business operations or reduce the normal costs of doing business. Assistance would instead be based on identified barriers and anticipated community and economic benefit.

Guiding Principles

The proposed EDIP’s principles:

- **Reduce barriers.** Public financing should meaningfully reduce barriers for small businesses and other investment/reinvestment projects where City participation can influence project feasibility or outcomes.
- **Generate community and economic benefit.** Public investment should produce measurable community or economic outcomes that justify City participation (e.g. meeting 15min City amenities in a food desert).
- **Leverage private investment.** City participation should complement, rather than replace, private investment.
- **Prioritize investment over operations.** Funding should support project-specific investments rather than routine business operations.

- **Scale accountability.** Performance expectations and oversight should be proportional to the level of public participation.
- **Complement existing tools.** EDIP should leverage other local, regional, state, or federal resources when appropriate.

Program Structure and Funding

The EDIP would be funded through annual appropriations approved by City Council. To support continuity of the program, staff anticipates seeking reappropriation of available program resources through future budget actions, where appropriate. This approach allows EDIP to be recapitalized over time while preserving Council's authority to determine the appropriate level of investment.

Funding would remain subject to available appropriations, with annual reporting providing Council visibility into how EDIP resources are deployed and the outcomes supported by those investments. Establishment of the EDIP would not obligate the City to support every eligible project. Rather, the program would provide a framework for strategically deploying available resources based on the barriers identified, anticipated community and economic benefit, and alignment with program criteria.

Staff proposes City Manager administrative approval authority for qualifying awards of up to $50,000 per project, with total administrative approvals not to exceed $250,000 annually. Individual requests exceeding $50,000, or administrative awards that would exceed the $250,000 annual limit, would require City Council approval. This structure is intended to allow timely responses to investment opportunities while maintaining Council oversight of larger requests and the overall level of administrative investment.

Eligible Projects

Eligible projects would be evaluated based on the circumstances of each project and alignment with EDIP criteria, with assistance focused on defined business investment/reinvestment projects rather than routine operating expenses or ongoing business subsidies.

Applicants must maintain an active City of Fort Collins Sales and Use Tax License, as applicable, and be in good standing with all applicable City requirements. Final eligibility would be determined through staff review based on the circumstances of each project and alignment with EDIP criteria.

Performance Measures and Accountability

Performance expectations and accountability requirements would be tailored to the scale and nature of each project. Whenever practical, assistance would be tied to readily verifiable project milestones and existing City processes, such as project approvals, completion of eligible improvements, issuance of a Certificate of Occupancy, or documentation of eligible expenditures. This approach is intended to provide appropriate oversight while minimizing duplicative reporting and administrative burden for participating businesses.

For professional or technical assistance, performance may be demonstrated through completion of the applicable work or advancement through an identified stage of the development review process rather than longer-term business performance measures.

Assistance would generally be structured through milestone-based or reimbursement payments after agreed-upon requirements have been completed and documented. Alternative payment structures may be considered when warranted by project circumstances and anticipated community and economic benefit. Project agreements would identify applicable performance expectations, documentation requirements, and repayment provisions, if any, proportional to the level of City participation.

Program Administration

The Economic Development Department (EDD) would administer the EDIP. To further reduce barriers for participating businesses, EDD staff would serve as the primary point of contact throughout the process, coordinating application intake, due diligence, project evaluation, funding recommendations, agreement administration, and ongoing program monitoring. Staff would coordinate with other City departments as necessary based on the characteristics of each project.

Additionally, the Economic Advisory Board may provide advisory review of EDIP requests requiring City Council consideration and provide recommendations to Council consistent with its advisory role. Final approval authority would remain with the City Manager or City Council in accordance with established program thresholds.

Implementation of the EDIP would represent a new administrative responsibility for EDD and is anticipated to require additional staff capacity at any funding level. Staff will continue working with Finance to evaluate program administration needs and associated resource requirements as the framework is refined.

Conclusion

EDIP would expand the City's economic development toolbox by providing a flexible mechanism to reduce barriers for small businesses and other investment and reinvestment opportunities that generate community and economic benefit. Staff is seeking Council direction on the proposed framework and any additional considerations or guardrails Council would like evaluated before returning with a proposed EDIP policy for adoption.

NEXT STEPS

If Council is aligned with the direction and approach outlined, staff will incorporate Council feedback, finalize the EDIP framework and administrative structure, and return to Council for consideration of program adoption and associated funding in November or December 2026, pending Council agenda availability.

ATTACHMENTS

1. EDIP Program Guidelines
2. Presentation