

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 24

DATE: January 6, 2004

STAFF: John Fischbach

SUBJECT

Resolution 2004-006 Relating to the Adoption of an Action Plan Pertaining to the City's Economic Health.

RECOMMENDATION

Staff recommends adoption of the Resolution.

FINANCIAL IMPACT

This Resolution is intended to positively impact the Fort Collins economy and related tax base of the City of Fort Collins. The Resolution also authorizes the City Manager to create a new staff position to coordinate the City's efforts to promote the economic health of the community.

EXECUTIVE SUMMARY

Resolution 2004-006 is a follow-up to the November 25, 2003, study session when City Council requested that staff bring forth several action items pertaining to the City's economic health. The action items are as follows:

- The reaffirmation of the City of Fort Collins economic policy adopted on February 16, 1999 (Exhibit A).
- Appointment of Councilmembers Tharp and Weitkunaut to serve as the City Council liaisons to an Economic Vitality and Sustainability Group.
- Establishment of the Economic Vitality and Sustainability Group.
- Development of an Economic Vitality and Sustainability Plan for the City and the establishment of guidelines for funding an Economic Vitality and Community Sustainability Fund no later than June 30, 2004.
- The creation of the position of economic advisor within the City. (The major duties of the position are outlined in Exhibit B).
- Directing the City Manager to begin a dialogue with the business community regarding a possible amendment to Chapter 25 of the City Code which would reduce the amount retained by retailers on sales tax collected by them on behalf of the City.

RESOLUTION 2004-006
OF THE COUNCIL OF THE CITY OF FORT COLLINS
ADOPTING AN ACTION PLAN PERTAINING TO THE CITY'S
ECONOMIC HEALTH

WHEREAS, on November 25, 2003, the City Council discussed in a study session various proposed measures designed to promote the City's economic health; and

WHEREAS, as a result of such discussion, the Council wishes to adopt an action plan related thereto.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby reaffirms the economic policies previously adopted by the Council on February 16, 1999 as set forth on Exhibit "A", attached hereto and incorporated herein by this reference.

Section 2. That the Council hereby establishes an "Economic Vitality and Sustainability Action Group (the "EVSAG"). The members of the EVSAG shall be appointed by the Council no later than its first meeting in February 2004 and members shall be selected by the Council from a list of nominees to be submitted by Councilmembers Tharp and Weitkunat. Said nominees should represent a cross-section of business and economics representatives of the community, as well as members of the general public, and should also include Councilmembers Tharp and Weitkunat. The duties and functions of the EVSAG shall be to:

- (a) develop an Economic Vitality and Sustainability Plan for the City (the "Plan"), the purpose of which shall be to identify: (i) the tools and strategies that the City should use to increase its sales and use tax revenues; (ii) business and investment opportunities to improve the overall quality of life within the City; and (iii) recommendations for Council to consider for addressing economic issues, together with implementation strategies, including how to address urban redevelopment;
- (b) establish guidelines for funding an Economic Vitality and Community Sustainability Fund (the "Fund") and for utilizing monies deposited into the Fund;
- (c) provide a report and recommendations to the City Council no later than June 30, 2004.

Section 3. That the City Manager is hereby directed to create a new position of employment within the City to coordinate and manage the work of the EVSAG and City staff

members who will be providing background information and otherwise assisting the EVSAG in its performance of the foregoing duties and functions. The primary duties of this position are shown on Exhibit "B," attached hereto and incorporated herein by this reference.

Section 4. That the City Manager is hereby further directed to present for Council's consideration, no later than the first Council meeting in March 2004, the following ordinances:

- (a) an ordinance which would amend Chapter 25 of the City Code so as to reduce the amount presently retained by retailers on sales taxes collected by them on behalf of the City (the "Vendors' Fee"), together with a recommendation as to the appropriate amount of such reduction, which recommendation shall be based upon outreach to retailers and other affected members of the community; and
- (b) an ordinance amending the City Code so as to establish the above-referenced Fund, into which shall be deposited any additional revenues collected by the City by reason of the reduction in the Vendors' Fee, together with such other funds as may ultimately be determined appropriate by the City Council after receipt of the report and recommendations of the EVSAG.

Section 5. That the City Council shall continue to consider, on a biennial basis, the tax rebate program for manufacturers which was first established by the Council in 1996.

Passed and adopted at a regular meeting of the City Council held this 6th day of January A.D. 2004.

Mayor

ATTEST:

City Clerk

Exhibit A
City of Fort Collins
Economic Policy

February 16, 1999

The methods by which communities address the enhancement of their local economies vary widely. In some instances, the responsibility for leading a community's economic development effort falls to a single entity, whether it be local or regional, public or private. There are many models across the country ranging from government funded and directed programs, to privately sponsored programs with little or no municipal involvement, or collaborative models.

In Fort Collins, economic development can be best characterized as a partnership among the public and private sectors, and the citizens of Fort Collins. This partnership is based upon a continuum of services to existing and prospective business in which the City facilitates the processes and procedures required for site development, provide data and demographic information, invests in municipal infrastructure, and considers other initiatives on a case-by-case basis.

The private sector shares responsibility with the public sector for the retention and expansion of business or industry with Fort Collins. This may include marketing and promotion of the community, outreach to existing business, assistance in arranging project financing and small business counseling.

This effort is supported directly and indirectly through the work of various entities identified below. The following outlines the partnership approach currently in practice in the Fort Collins community. As with any policy statement, this document should be reviewed in the context of current needs and relevance at least every two years.

Role of the City of Fort Collins

The view held by the City of Fort Collins is that whether they are considering expansion or relocation, businesses are most concerned and interested in the community's overall quality of life. Those in the private sector responsible for corporate site selection most often site the quality of both our primary and secondary schools, the skills of our workforce, the consistent quality and value of municipal services, and perhaps in many ways above all, the state of our natural environment.

Over the years, the City of Fort Collins has invested in its utility systems to ensure reliability and consistency of service. This has been cited by many firms as a critical element in their success, and a key reason why they chose Fort Collins for their initial location, or expansion.

Additionally, City policies and investment in parks, trails, and open space and natural areas continue to be important influences to both business investment and citizen satisfaction. These are values to which City Council and the citizens are deeply committed and serves as the cornerstone of the City's economic development effort.

Included in these values is a dedication to doing all the City can to encourage the development of housing for a variety of income levels, maintenance of a fair local taxation system, and attention to developing and maintaining a high quality, and state-of-the-art infrastructure. This also includes developing fiber optic network, and other resources that may be available in the future, providing both internal and external linkages to other firms, research institutions, and support services.

The City's primary role in economic development focuses on those areas, which directly involve City process and procedure. The City's economic development program is based on City Council's Resolution 87-49 and subsequent Ordinances in which Council adopted certain goals, policies, and programs related to economic development and economic opportunity.¹

In general terms, the goals of the City of Fort Collins is to encourage and support economic opportunities which provide self-sustaining employment, increase private investments with the community and improve the quality of life for Fort Collins residents.

Achievement of these goals is pursued through a series of policies adopted by City Council and outlined in the above referenced resolution. Among these are the following:

- Commitment to maintaining and enhancing the City as a good place to live and work.
- Emphasis on comprehensive, quality municipal services as the City's primary contribution to the community's economic development effort.
- Creation and maintenance of a positive climate for both local and new business.
- Assist and encourage small business retention and entrepreneurial activities as appropriate.
- Encourage workforce training, retraining, education, and employee support services to assist in the creation and expansion of meaningful employment opportunities.
- The City's role in dealing with prospective expansions or relocations focuses on planning and the provision of municipal services and facilities such as streets and utilities.
- Encourage the development of a wide variety of business activities rather than focusing solely on one sector.
- Awareness of the community's role in the global and domestic marketplace, and the importance of welcoming assisting visitors from other nations, foreign firms, and tourists.

Action steps, which may be used to implement the aforementioned policies, may include the following:

- The City will work with other public and private entities to promote policies and programs which encourage education, training, workforce development, and basic and advanced/technological skills enhancement.
- The City will provide prospective businesses with information regarding municipal services, schools, recreational opportunities, health care, and other services available within the community.
- The City will make existing and prospective business aware of opportunities available through Colorado State University and the private sector in the areas of product and process development.
- The City will consider partnerships with other public and private entities such as the Fort Collins Virtual Business Incubator and Small Business Development Center to encourage entrepreneurial activity within a one-stop environment.
- The City will continue to maintain and enhance utility and technological infrastructure and strive to provide consistently reliable and efficient service, at the best value possible.
- The City will strive to maintain a municipal tax and fee structure which is both reasonable and equitable.
- The City will provide assistance to business and industry with regards to City process and procedures.
- The City will continue to afford new and existing business and industry the opportunity to seek specific assistance pursuant to Council adopted Ordinances and other programs enabled by state and federal legislation.
- The City will monitor economic, community and environmental indicators on a periodic basis and consider actions that address a change in the local economy.
- The City will evaluate all programs and policies that are suggested for Council consideration to determine if there are unintended impacts on the business community.

Role of Private Sector

The private sector plays a significant role in the success of the overall economic development strategy. The mission of the private sector is to work with the City and other public and private organizations to retain and expand basic industry and other businesses within the City and County. This effort requires the support of Fort Collins, Economic Development

Corp.(EDC), the Chamber of Commerce and other entities referenced below, as well as the local banks, financial institutions and existing business and industry.

The private sector is characterized by its ability to work with new and existing business in a confidential manner. Issues such as real estate values, business climate, financing options, and site options are most appropriately addressed by the private sector.

Role of Outside Entities

The efforts of the City and the private sector to enhance the economic prosperity of the community are directly and indirectly supported by several organizations and entities such as Colorado State University, Downtown Development Authority, business associations, Larimer County Convention and Visitors' Bureau, Poudre R-1 School District, Workforce Investment Board, and the Employment and Training Service. Though each has an independent focus, their work contributes to the overall quality-of-life and prosperity enjoyed within the community. In this way, the network required to conduct an effective community-based economic development program is provided.

International Business

Fort Collins is home to many businesses that participate in a dynamic international market, and the economic policy of the city stresses the awareness of the community's role in the global marketplace. To facilitate those businesses currently involved in the international market or those planning future involvement, the city provides a conduit for several international trade businesses and organizations. These businesses and organizations provide a wide range of services to aid in the growth and development of local business involvement in the international market.

- **Colorado International Trade Office (CITO)**
A division of the Governors Office of Economic Development and International Trade, CITO provides research and analysis of foreign markets, education on operational aspects of foreign trade, trade shows and trade missions and risk management information.
<http://www.state.co.us/oed/ito>
- **World Trade Center-Denver**
The World Trade Center provides educational seminars, market research services, networking opportunities, and the WTC Denver International Trade Library.
<http://www.wtcdn.com>
- **U.S. Export Assistance Program**
This is a service provided by the U.S. Small Business Administration Office of International Trade. . This site provides a contact to the regional SBA officer. The SBA

offers export assistance, trade counseling, training, legal assistance and literature. The SBA is for small to medium sized businesses.
<http://www.sba.gov/oit/export/useac>

Larimer County Small Business Development Center

The Larimer County Small Business Development Center is a resource for small business entrepreneurs. The SBDC provides counseling for start-up and existing businesses, training and workshops, resource referrals and help in obtaining financial assistance. The SBDC offers regularly scheduled classes that typically run a half-day in length. Classes include Business Planning for Success, Recordkeeping and Taxes, Business Marketing, Legal Entities and Employment Law, and Financing Your Small Business.

http://fccc.cc.co.us/institute/sbdc/sbdc_la.html

Fort Collins Virtual Business Incubator

The Fort Collins Business Incubator is a partnership between the Fort Collins Economic Development Corporation, the City of Fort Collins, Colorado State University. The purpose of the partnership is to provide start-up companies and rapidly growing young companies with the tools and support needed to grow and maintain their business. The Incubator is specifically devoted to high-tech and manufacturing companies.

Businesses accepted into the incubator program receive professional business services such as legal, accounting, marketing and management services at a seventy-five percent discount their first year. Payments are adjusted on a graduated scale for the next three years of the program.

In addition to the business services incubator clients receive: a custom tailored advisory group, strategic planning counseling, access to the expertise of CSU faculty and programs, and a monthly “water cooler” meeting. The “water cooler” meetings allow clients to exchange ideas, share resources, and discuss challenges facing their businesses.

<http://www.fortcollinsincubator.org>

¹ Resolution 87-49 of the Council of the City of Fort Collins adopting the goals and policies related to Economic Development and Economic Opportunities in Fort Collins.

Exhibit B
General Duties of the Economic Advisor

- Work with the City Council, City Manager, and Economic Vitality and Sustainability Group to develop an economic plan and specific implementation measures by June 30, 2004
- Monitor economic, community, and environmental indicators on a periodic basis and consider actions that address a change in the local economy
- Assist the City in providing quality municipal services as a primary contribution to the communities economic development effort
- Promote policies and programs which encourage workforce training, retraining, education, and employee support services to assist in the creation and expansion of meaningful employment opportunities
- Encourage the development of a wide variety of business activities
- Promote awareness of the community's role in the global and domestic marketplace, and the importance of welcoming assisting visitors from other nations, foreign firms, and tourists
- Assist in evaluating all programs and policies that are suggested for Council consideration to determine if there are unintended impacts on the business community
- Make existing and prospective businesses aware of the opportunities available through Colorado State University and the private sector in the areas of product and process development
- Provide assistance to business and industry with regards to City process and procedures
- Provide assistance in regard to Council adopted ordinances and other programs enabled by state and federal legislation
- Assist the City in dealing with prospective expansions or relocations focusing on the planning and the provision of municipal services and facilities such as streets and utilities and to provide prospective businesses with information regarding the municipal services
- Help create and maintain a positive climate for both local and new businesses
- Assist and encourage small business retention and entrepreneurial activities