

# **Economic Vitality 2008 City Council Retreat**

## **Introduction**

The purpose of this paper is to provide perspective on the Longmont's recent efforts to promote economic vitality so that the City Council has sufficient information to direct staff regarding the preparation of the City's economic vitality strategic plan. Over the past several years, numerous collaborative efforts have been used to plan for all aspects of the community's future. Beginning with the 2003 update of the LACP and continuing with Focus on Longmont and the work of the Economic Vitality Task Force, many residents have given freely of their time and assistance in this endeavor. In addition, members from the various entities that make up the Economic Alliance have collaborated on various economic development issues over the past couple of years.

Prior to your discussion at the retreat, you will receive some additional information regarding this topic. First, the EVTF is scheduled to meet on January 25 to provide final recommendations on areas it believes the Council should consider during the retreat, including recommendations regarding the recently enacted lodger's tax. Secondly, there will be an opportunity at the retreat to hear from and question a panel of experts who have engaged in economic development activities at the local, state and national levels.

## **Questions for Consideration**

The following list of questions is intended to encourage discussion and invoke thought on some of the significant issues relating to economic development trends, realities, and opportunities.

1. What is the Council's vision for Longmont's economic vitality?
2. How do current regional trends impact Longmont's economic vitality?
3. Is the present economic development structure the most effective arrangement?
4. How can collaborative efforts among local and regional agencies be maximized?
5. What is the City's role in private-public partnerships for development projects?
6. Does the Longmont Area Comprehensive Plan (LACP) adequately address commercial and retail needs?
7. Are the Longmont economic development incentives competitive?
8. How can workforce development efforts be strengthened?
9. What are the alternative sources of funding for economic development efforts?

## **Background Information**

In August of 2003, the Longmont Area Comprehensive Plan (LACP) was approved by City Council. Elsewhere in your retreat packet is detailed discussion of that process. Chapter 5 of the LACP pertains to economic development goals and policies. The rationale for a chapter on economic development is stated as follows: **“strive for a well-balanced, diversified, and stable economic base in order to provide job opportunities for Longmont residents and a dependable tax base for the City.”** Until recently, Longmont’s major efforts in the economic development arena were centered on attracting and retaining primary jobs.

### **Focus on Longmont Report**

Following the update of the LACP in 2003, it became obvious that the City needed to strategically plan for the time the community would approach build out of it planning area. At its 2004 retreat, the City Council directed staff to initiate a strategic planning process to identify areas where the policy makers should focus resources in order to ensure a sustainable build out of the planning area. In 2005, the planning process that became Focus on Longmont began. Hundreds of Longmont citizens worked on and helped develop the final strategic recommendations provided to the City Council in January of 2006. Two of the five strategic policy directions were directly related to economic development: “Promote a Healthy Business Climate” and “Downtown”. Policy Direction 1 (Business Climate) specifically called for action such as increasing job opportunities, fostering a business-friendly community, and creating a balance among the types of businesses operating in Longmont. Policy Direction 4 (Downtown) set strategies for developing downtown Longmont as a destination and gathering place with a diverse mix of economic opportunities. For the first time in 2006, the City’s budget included the position of Economic Development Manager.

### **Economic Vitality Task Force**

In June of 2006, City Council appointed members to the Economic Vitality Task Force (EVTF) from a cross-section of the community. Meeting on a bi-monthly basis through December 2006, the EVTF examined many aspects of the local economy leading to a series of strategic recommendations in seven Broad Focus Areas: 1. Jobs, 2. Education, 3. Redevelopment/Revitalization, 4. Infrastructure, 5. Retail, 6. Business Climate, and 7. Downtown. The initial report to Council contained more than 190 potential action items within seven focus areas. At its January 2007 retreat, City Council reviewed the EVTF work and directed the Task Force to consolidate its work into a more manageable number of focus areas. After a number of additional hours of discussion, the EVTF narrowed its focus to four areas.

1. Develop a Vision for Downtown
2. Branding Longmont

3. Expand the City's Role in Economic Development
4. Market the City for Increased Retail Trade

Subsequent to the presentation of the four directions, Council agreed that the Economic Alliance, a collaborative arrangement of local economic development agencies, should further refine the recommendations and place them into a context that could be implemented through an economic vitality plan.

### **Economic Alliance**

The Economic Alliance is a group of eleven local organizations working together to promote economic development on behalf of the City. The Alliance was originally formed in 2006 to enhance collaboration among entities engaged in economic development activities and to oversee the creation of the Longmont Economic Gardening Initiative (LEGI). The Alliance has evolved to function as an economic advisory committee for significant projects or planning programs.

The Economic Alliance is comprised of the following agencies and organizations:

- City of Longmont
- Longmont Area Economic Council
- Downtown Longmont Development Authority
- The Longmont Area Chamber of Commerce
- Longmont Small Business Association
- Boulder Small Business Development Center
- Latino Chamber of Boulder County
- Magellan Research Center
- Longmont Entrepreneurial Network
- Longmont Area Visitors Association
- Front Range Community College

The Alliance met from June through September of 2007 to refine the EVTF findings. One of the challenges they faced was retaining the Task Force ideas as contained in the 190 plus action items while melding them with the four final directions. The Alliance decided to build upon the collective work of the Economic Vitality Task Force by fusing related policies from Focus on Longmont, the LACP, and the Retail Opportunities Study into structured categories that represent a consensus of policy recommendations. The results, similar to the original focus areas presented by the EVTF, include:

1. Jobs
  - \* Support the creation and retention of Primary Jobs
  - \* Pursue new and emerging markets for primary employers
  - \* Create opportunities for a variety of diversified jobs for all residents
2. Downtown
  - \* Develop a plan with a long-term vision for Downtown

- \* Implement pedestrian-friendly development or redevelopment
  - \* Encourage residential development
3. Business Climate
    - \* Establish a centralized information center for business development
    - \* Create a business liaison responsibility to coordinate projects with developers
    - \* Market Longmont for business opportunities
  4. Redevelopment
    - \* Prioritize opportunities for redevelopment projects
    - \* Identify City's role in partnering with the private sector for redevelopment efforts
    - \* Explore financing options for projects
  5. Retail
    - \* Consider the use of targeted incentives to mitigate retail leakage
    - \* Examine the potential for niche markets
    - \* Explore the use of retail recruitment strategies
  6. Tourism
    - \* Develop a strategic plan for tourism and conventions
    - \* Conduct a community-wide branding campaign
    - \* Evaluate the Lodgers' Tax and alternative funding sources

### **Secondary Topics for Consideration**

In addition to the six focus areas identified above, there are number of concepts that have been discussed by various parties and deserve consideration as the Council moves forward.

#### *Creative Economy*

As stated by Richard Florida, "the key to economic growth lies not just in the ability to attract the creative class, but to translate that underlying advantage into creative economic outcomes in the form of new ideas, new high-tech businesses and regional growth." The availability of a well-educated populace is a resource that should be further developed and capitalized upon. The EVTF discussed how Longmont can position itself to maximize efforts in cultivating the creative class and to support businesses that will spring from the creative individuals who do or will reside in the community.

#### *Development Review Process*

A key element of a business friendly city is having an effective and efficient development review process. With the recent completion of the Development Services Center and the one-stop-shop approach to processing development applications, the City is implementing a development review process that

provides the best services possible. The EVTF suggested utilizing staff to serve as an ombudsman and to increase flexibility in development regulations.

*Emerging Industry Development*

In noting that Longmont’s economic base, especially for primary employers, is heavily weighed in the high-tech sector, diversification through emerging industries and technology has been discussed as critically important. This may include targeting industries such as ecotourism, clean energy, nanotechnology, and photonics.

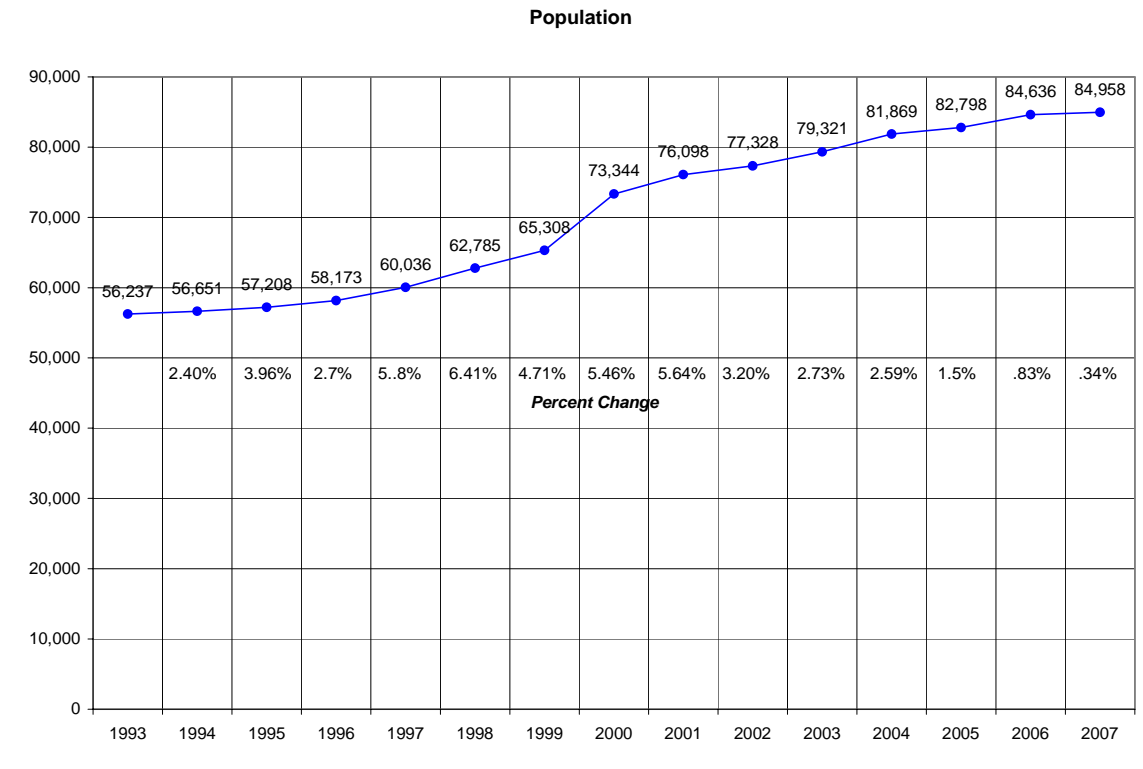
*Downtown Traffic Patterns*

Traffic in the Downtown Area is an issue that has been discussed numerous times including by the Economic Vitality Task Force. Traffic speed and volume as well as ideas how to make the area more pedestrian friendly are all topics that bring interesting and varying viewpoints when raised during discussions.

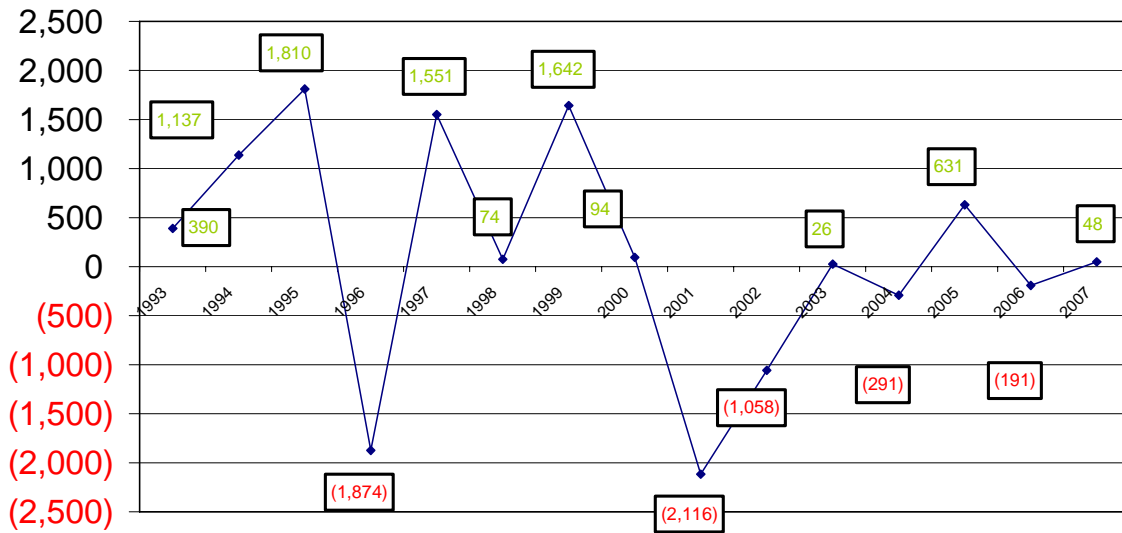
**Trend Information**

The following information highlights Longmont trends in population, primary job growth, as well as sales and use taxes.

Longmont Population Growth  
1993-2007

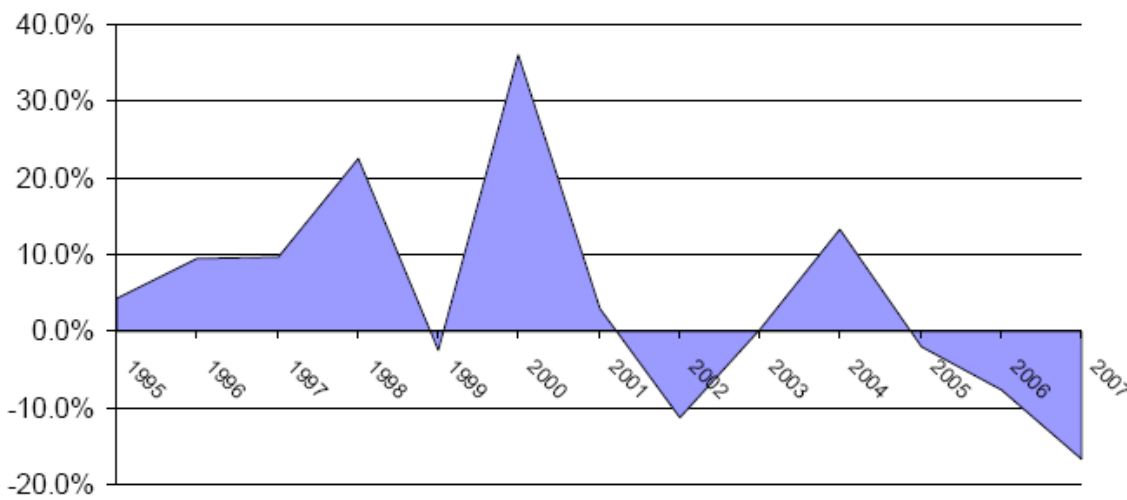


### Net Primary Job Growth

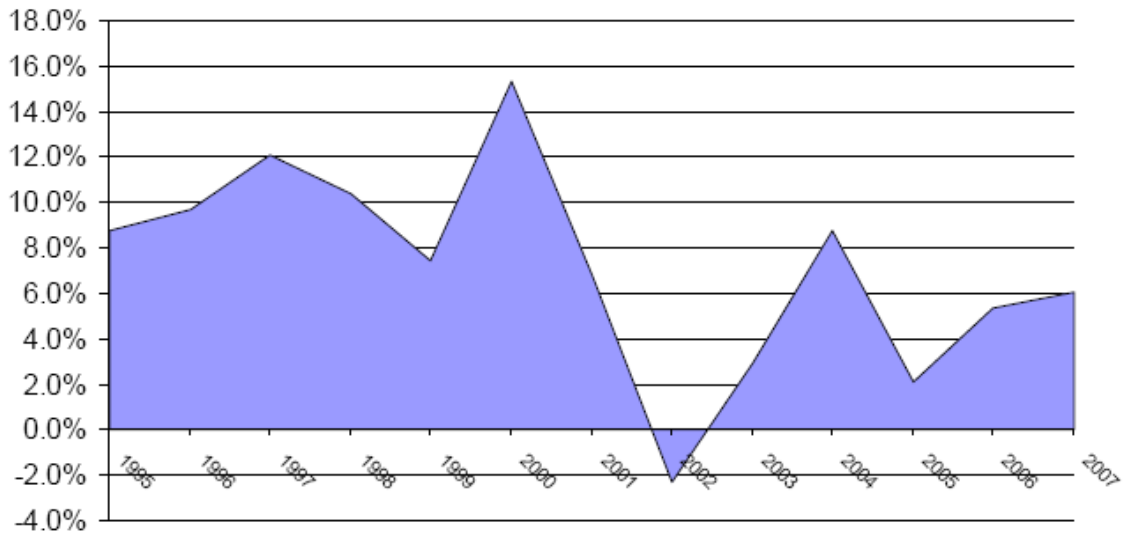


### Sales and Use Tax Growth Trends

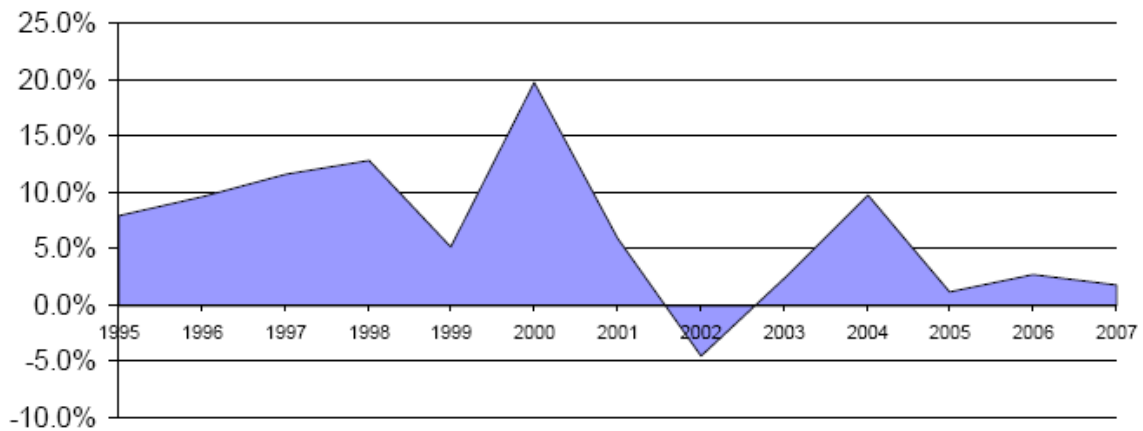
#### General Fund Use Tax Growth



**General Fund Sales Tax Growth**



**Combined Sales & Use Tax Growth**



## **Regional Competition**

For many years, the major population centers along the Front Range have competed for primary jobs as well as retail development. Since the mid-1990's, the competition for retail centers has increased tremendously as various communities have offered large financial incentives to attract shopping centers. More recently, I-25 from Denver to Ft. Collins, has emerged as one major competitor to Longmont for both primary jobs and retail centers. A number of retail centers have recently been developed or announced that may impact Longmont's economic future. These include: Flatirons, Twenty Ninth Street, Centerra, Orchards, and Larkridge. In addition, Frederick has announced an incentive agreement with a developer for a million plus square foot center at I-25

and Highway 52 to be under construction when a sufficient number of housing units have been built in the surrounding area.

Attachment A summarizes specific incentive provided for a number of retail projects within our region.

## **Potential Redevelopment Projects**

Redevelopment projects are one of the key economic development areas where communities can partner with the private sector to improve economic health as well as to encourage revitalization of older neighborhoods and downtowns.

Longmont has several areas that will provide redevelopment opportunities and challenges in the near future, including:

- Twin Peaks Mall
- Flour Mill (FasTracks end of line station area)
- Downtown Mixed-use Project
- SE Urban Renewal Area (includes Sugar Factory)
- Mid-Main Street

## **Partnerships and Contractual Arrangements**

For many years, Longmont has partnered with private, public and quasi-public agencies to perform a variety of economic development efforts. This collaborative approach has been used to encourage private sector financial participation as well to leverage the manpower resources available to pursue economic development prospects and projects. This approach is also intended to reduce competition for scarce resources at the local level.

### **Key Partners**

#### *Longmont Area Economic Council (LAEC)*

Started in 1981 as the Economic Development Association of Longmont (EDAL), LAEC provides services for the recruitment and retention of primary jobs.

#### *Longmont Entrepreneurial Network (LEN)*

Evolving from the Boulder Technology Incubator, LEN was formed in 2004 to provide high-tech business incubation for the fostering of primary jobs and growing companies.

#### *Front Range Community College (FRCC)*

FRCC works with employers to provide educational opportunities that help strengthen the local workforce. The College is also a partner in the Longmont Economic Gardening Initiative providing in-kind support with personnel and the use of campus facilities.

### *Longmont Downtown Development Authority (LDDA)*

The LDDA was created by the actions of the Longmont City Council and the electorate of the LDDA district in 1982 for the purpose of rehabilitating the City's downtown commercial core.

### **Support Organizations**

#### *Longmont Area Chamber of Commerce*

In operation since 1927, the Chamber provides a wide array of programs, events and activities that enable their members to maximize business opportunities through networking, education and advocacy. The Chamber partnered with the City in to launch EDAL in 1981 and joined the City in 2005 to financially support the Longmont Area Visitors Association (LAVA).

#### *Boulder Small Business Development Center (SBDC)*

The City and Chamber of Commerce have teamed with local businesses to establish SBDC's presence in Longmont for convenience and a more effective approach towards small business assistance.

#### *Micro Business Development (MBD)*

MBD concentrates on providing assistance to the woman and minority-owned businesses with programs and access to capital specifically designed for those markets.

#### *Longmont Small Business Association (LSBA)*

Founded in 2004, the Longmont Small Business Association is a membership organization that supports the growth of local small businesses with networking, training and consulting services.

#### *Magellan Research Center*

Founded in 2005, Magellan Research Center is an independent economic agency that provides the City with targeted research for economic development needs as determined.

#### *Latino Chamber of Commerce of Boulder County*

Formed in 2004, the Latino Chamber is an organization that provides networking and training for the successful growth of member businesses.

### **Economic Development Incentives**

For both job creation and retail development, financial incentives have become an important part of economic development efforts in many Colorado cities. Attachment B shows the wide range of incentives Longmont and other front range cities have available. This list may not be all inclusive.

## **Conclusion**

The completion of an economic development plan that reflects the City Council's priorities is the next step in the process of focusing the City's efforts to maximize results and leverage resources from private and public investment in key areas that will help determine whether or not the community is on the road to a sustainable future. How the Council desires to use the various collaborative partners to develop the final plan is an important area for direction.

## **Attachments**

Attachment A – Development Projects Financing Analysis

Attachment B – Development Incentives by Location

Attachment C – Economic Vitality Task Force Complete List of Strategies, including four recommended focus areas

Attachment D – Economic Alliance Recommendations