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NORTHERN COLORADO

Business Retention and Expansion

Annual Report 2018

City of Loveland Town of Berthoud Town of
Economic and Workforce Development Small
nber of Commerce Fort Collins Area Chamber
City of Loveland Town of Berthoud Town of
Economic and Workforce Development Small



INTRODUCTION

The Business Retention and Expansion Partnership of Larimer County is a consortium of economic and workforce development professionals supporting primary employers through meaningful interaction and relationship development. Members of this effort include: City of Fort Collins, City of Loveland, Town of Windsor, Town of Berthoud, Town of Wellington, Larimer County, Larimer County Small Business Development Center, Larimer County Economic and Workforce Development, Loveland Chamber of Commerce, Fort Collins Area Chamber of Commerce, Estes Park EDC and One NoCo.

We expect that through planned and coordinated efforts we will gain greater engagement with the business community, promote job growth and effectively identify regional issues we can address as a partnership.

EXECUTIVE SUMMARY

This report includes data points covering the Larimer and Weld County region because the two counties have an interconnected economy and a shared laborshed. Throughout the report the reference to Northern Colorado includes both Larimer and Weld Counties.

Year-over-year growth in gross regional product, low unemployment rates and strong job growth indicate a healthy regional economy. Additionally, the Partnership gathered 315 responses from regional businesses which show a generally optimistic view of the economy, as well as positive reports of business growth and expansion. However, businesses consistently reported workforce as a major challenge. Cited are challenges finding talent, employee retention and a lack of skilled labor.

METHODOLOGY

In 2018, members of our Partnership gathered data from business interviews and a short questionnaire that was distributed during business events throughout the region. The data included in this report comes from both primary and non-primary employers. Primary employers are businesses that export a significant portion of their goods and services outside of the region. All collected data from the interviews and questionnaires is strictly confidential and findings are only reported in aggregate.

STATE OF THE REGIONAL COMMUNITY

The Partnership is comprised of members representing both Larimer and Weld Counties. These two counties comprise a unique economic region. Our region's geography has supported significant economic development and population growth along the I-25 corridor, and because of this, we see healthy commuter exchange between cities and towns throughout the region.

WORKFORCE

Average Annual Unemployment Rate for 2017 was **2.54%** (4.4% Nationally).

Our combined two-county labor force is **372,000** workers strong.

Annual Job Growth from 2013 to 2018 is **3.44%**, 2x the national growth rate.

GROSS REGIONAL PRODUCT

"GRP, which is also called "regional GDP" and defined as the market value of all goods and services produced within a given area over a specific period of time, is a good measure of the size, income and productivity of a regional economy." (Emsi, 2008 "GRP")

GRP has grown across Northern Colorado by **6.2%** per year since 2013.

Regional GRP in 2017 was **\$30.3B**

POPULATION / GROWTH

Currently, approximately **650,000 people** live in Larimer and Weld.

Larimer and Weld will be a region of more than **1 million** people by 2036

Figure 1: While our region covers a very large geographic area, the center of our region, from an employment perspective, is located in between Greeley, Fort Collins and Loveland. In this map, the size of each blue dot shows the concentration of jobs. High employment Census Blocks have larger dots which creates an effect where job centers (overlapping dots) are represented by blue clusters. U.S. Census Bureau. Data Source: OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2015). Worker Destinations by Census Block. Primary Jobs (unique workers) only. Accessed September 2018. Employment center point calculated in ArcGIS 10.5. Presentation map produced in QGIS, December 2018.

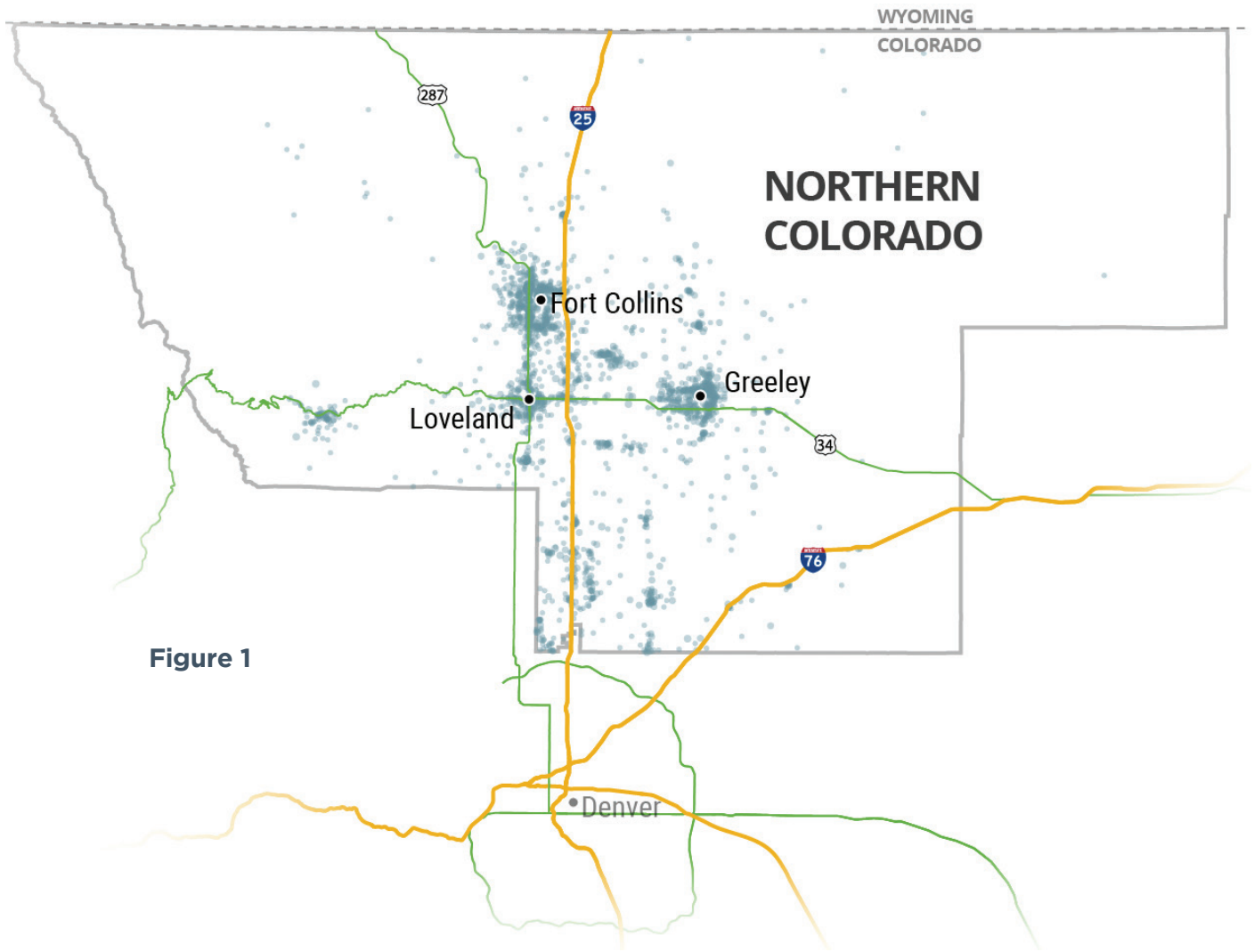
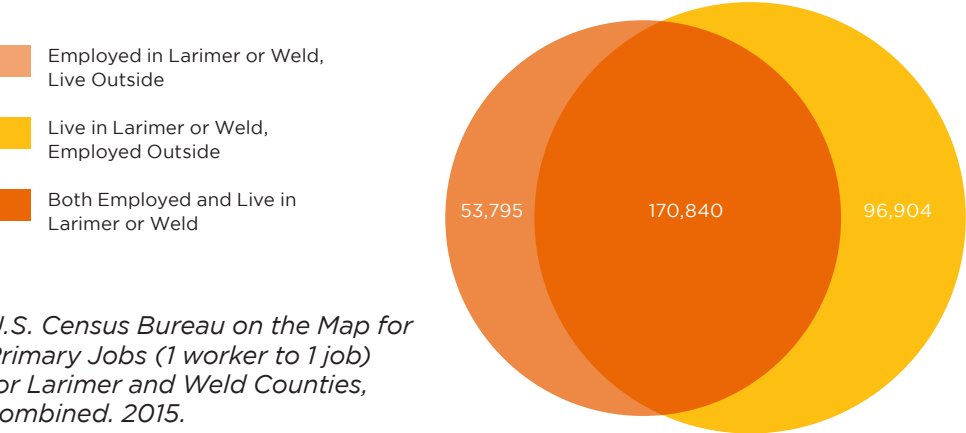


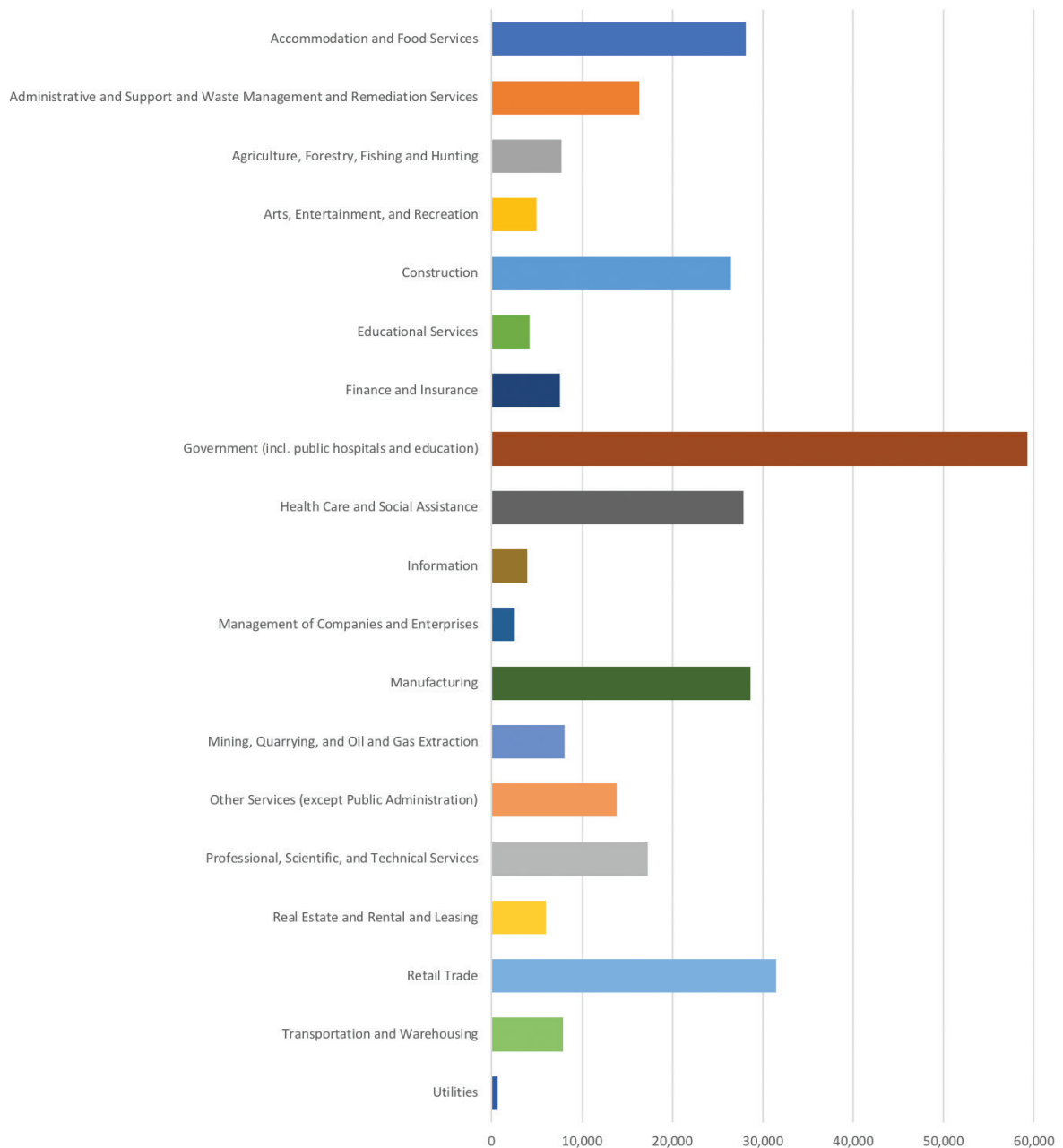
Figure 1

WHERE DO RESIDENTS OF LARIMER & WELD COUNTIES WORK?
 WHERE DO EMPLOYEES IN LARIMER & WELD COUNTIES LIVE?



STATE OF THE REGIONAL COMMUNITY

2018 EMPLOYMENT BY INDUSTRY



Emsi. 2018.3 Industry Table, Larimer + Weld, QCEW Employees, Non-QCEW Employees + Self Employed

BUSINESS CLIMATE

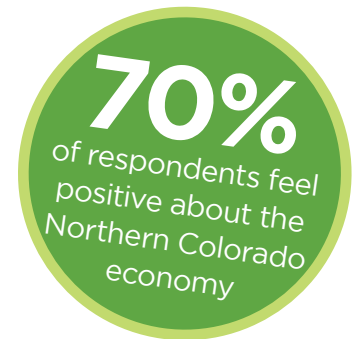
BREAKDOWN OF BUSINESS RESPONDENTS

76% of interview respondents were from **locally owned businesses**.

Respondents were in the aerospace, agriculture, beverage production, bioscience, construction, consulting, distribution, financial services, health & wellness, manufacturing, real estate, retail and technology industries.

PERCEPTION OF ECONOMY

Respondents were asked if their feelings about the Northern Colorado economy were up, neutral or down. **70%** of respondents stated their feelings about the Northern Colorado economy were up, **26%** responded their feelings were neutral, **3%** down and **1%** did not respond.



LOCATION

Questionnaire respondents were asked if they would consider relocating their business outside of Northern Colorado: **79%** said no, **16%** said yes and **5%** did not respond. (*Figure 2*).

Interview respondents were asked if they were considering any of the following options (respondents could choose more than one, *Figure 3*):

- **42%** stated they were considering expanding at their current facility.
- **48%** responded they were considering expanding at another location.
- **12%** were considering moving.
- **15%** were considering merging with or acquiring another business.
- **6%** were considering selling their business.
- **6%** indicated there were other changes they were considering.
- **One business** reported they were considering downsizing.
- **No respondents** reported considering closing.

For those who responded that they were considering moving, the most commonly stated reason was due to an overcrowded building. For those who responded they were considering selling, or downsizing the reasons included retirement, low work productivity, high state/local taxes, lease expiration, insufficient talent supply and labor costs.

EMPLOYMENT

70% of interview respondents reported they expect company employment to increase in the next five years. **18%** anticipate company employment to stabilize, **12%** did not respond and no respondents reported an anticipated decrease in employment.

BUSINESS CLIMATE

OPPORTUNITIES

Respondents were asked to identify the greatest opportunity facing their business, and many identified multiple. The three most commonly reported were related to growth/expansion, talent/hiring and marketing.

GROWTH/EXPANSION

30% stated “growth” or “expansion” as their greatest opportunity.

When stating “growth,” respondents said they were **encouraged by the growth of the population**, saw positive growth in their market, expected continued growth in the local economy and/or **planned to grow the size of their business**.

Expansion also had many contextual meanings. Some respondents stated plans for an **expansion of their facility**, and others expected an **expansion in their services or products**.

TALENT/HIRING

9% stated “talent” or “hiring” as their greatest opportunity.

MARKETING

6% stated “marketing” as their greatest opportunity.

THREATS

Respondents were also asked to identify the greatest threat facing their business, and many identified multiple. The most commonly identified threats were related to labor, regulations, and competition.

LABOR

24% of respondents stated difficulties finding qualified candidates/ lack of skilled talent, retention, and the cost of labor.

REGULATIONS

11% of respondents specified regulations such as tariffs, development reviews (subject to specific jurisdictions), and FDA regulations/inspections as the greatest threat to their business.

COMPETITION

9% of respondents reported competition internal to the region, external from the region and online.

BUSINESS CLIMATE

WOULD EMPLOYERS IN LARIMER & WELD COUNTIES CONSIDER RELOCATION?

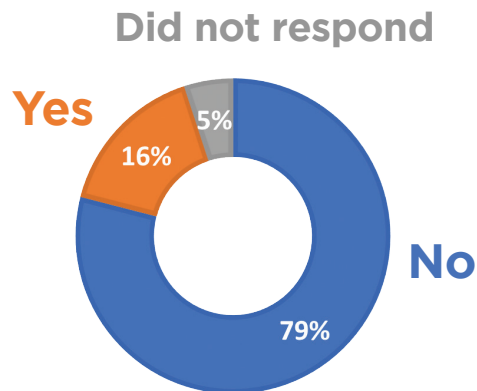


Figure 2

WHAT CHANGES ARE EMPLOYERS CONSIDERING MAKING TO THEIR BUSINESS?

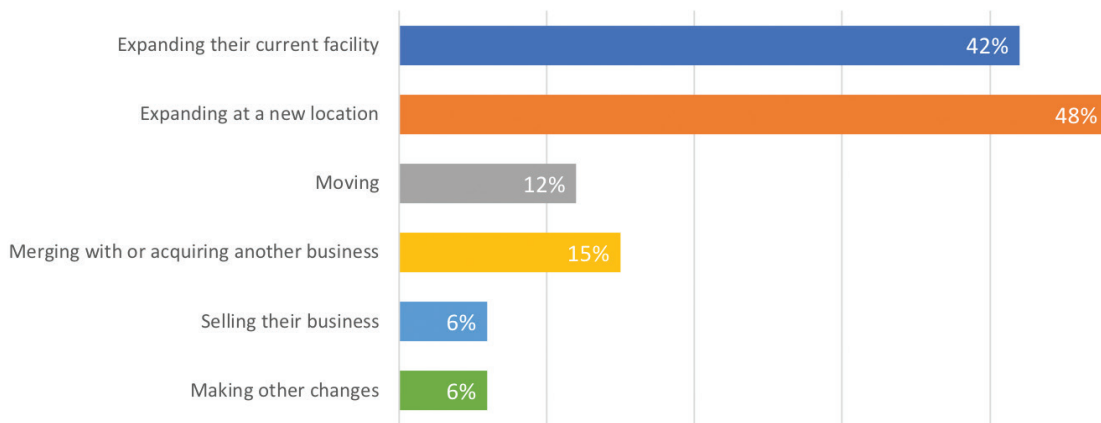


Figure 3

GOALS & ACTIVITIES FOR 2019

The Partnership was formed with the purpose of gaining greater engagement with the business community, promoting job growth, and effectively identifying regional issues we can address as a partnership. To meet this purpose, we plan to focus on the following areas in 2019:

1

Expand the number of businesses the Partnership engages with through outreach efforts. Specifically, primary employers.

2

Refine and expand the Partnership's data collecting and data sharing capabilities.

3

Expand our coordination with economic development partners in Weld County.



berthoudeconomicdevelopment.com



estesparkedc.com



fcgov.com/business



FortCollinsChamber.com



larimer.org



larimer.org/ewd



cityofloveland.org/departments/economic-development



loveland.org



northerncolorado.com



larimersbdc.org



townofwellington.com/35/Business-Development



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