



# City Council Work Session Agenda

January 27, 2026 at 6:00 PM

Emily Francis, Mayor  
Julie Pignataro, District 2, Mayor Pro Tem  
Chris Conway, District 1  
Josh Fudge, District 3  
Melanie Potyondy, District 4  
Amy Hoeven, District 5  
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300 Laporte Avenue, Fort Collins

Cablecast on FCTV  
Channel 14 on Connexion  
Channel 14 and 881 on Comcast

Delynn Coldiron  
City Clerk

City Council members may participate in this meeting via electronic means pursuant to their adopted policies and protocol: [Rules of Procedure](#)

## ATTENDANCE OPTIONS

- Meetings are open to the public and can be attended in person by anyone.
- Meetings are televised live on Channels 14 & 881 on cable television.
- Meetings are livestreamed on the City's website, <https://fortcollins.gov/fctv>.

## CITY COUNCIL WORK SESSION 6:00 PM

### A) CALL MEETING TO ORDER

### B) ITEMS FOR DISCUSSION

#### 1. Adapting to a Changing Regional Role: An Integrated, Proactive Approach to Economic Health

The purpose of this item is to discuss updating the City's Business Assistance Package Policy to reflect and meet current (and future) economic times.

#### 2. Transit Oriented Communities (HB24-1313) Implementation

The purpose of this item is to provide an update on compliance efforts related to the Transit Oriented Communities legislation (HB24-1313) passed by the State legislature in 2024 and to seek Council direction on areas of the community to designate as Transit Centers. Per the legislation, Transit Centers are locations that permit higher density development and require no public hearings for multifamily and mixed-use development. Staff is seeking to finalize the City's compliance with HB24-1313 Spring 2026 in order to enable eligibility for a grant funding opportunity for a proposed affordable housing project.

### C) ANNOUNCEMENTS

#### **D) ADJOURNMENT**

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**File Attachments for Item:**

**1. Adapting to a Changing Regional Role: An Integrated, Proactive Approach to Economic Health**

The purpose of this item is to discuss updating the City's Business Assistance Package Policy to reflect and meet current (and future) economic times.

January 27, 2026

# WORK SESSION AGENDA ITEM SUMMARY

City Council



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## STAFF

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SeonAh Kendall, Economic Health Director  
Clay Frickey, Senior Manager, City Planning  
Michael Bussmann, Lead Business Specialist

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## SUBJECT FOR DISCUSSION

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### Adapting to a Changing Regional Role: An Integrated, Proactive Approach to Economic Health

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## EXECUTIVE SUMMARY

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The purpose of this item is to discuss updating the City's Business Assistance Package Policy to reflect and meet current (and future) economic times.

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## GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

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1. Does Council agree that the economic challenges represented should be addressed?
2. Does Council support moving forward with an update of the business assistance policy?
3. What other trade-offs between economic competitiveness and other strategic priorities should staff consider?

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## BACKGROUND / DISCUSSION

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Over several decades, the City of Fort Collins has advanced a series of economic health strategies to support a healthy, resilient local economy that strengthened Fort Collins' position as a regional employment and community.

### Key milestones in the City's economic strategy include:

- **2005** – Adoption of the Economic Action Plan, establishing early priorities for economic development.
- **2012** – Council adopted **Resolution 2012-044**, approving the first Economic Health Strategic Plan ("2012 EHSP") and affirming the importance of primary employers to the local economy.
- **2013** – Council adopted **Resolution 2013-025**, creating the City's first Policy for Developing Primary Employer Business Assistance Packages and establishing a formal, performance-based, and equitable incentive process.
- **2019 & 2023** – Council adopted two subsequent updates to the Economic Health Strategic Plan, reflecting changing economic conditions and community priorities. **Resolution 2023-111** ("2023

EHSP") focused on advancing a more holistic and intentional approach to economic health, which includes targeted business attraction in specific industries.

The Business Assistance Package policy was developed to support earlier economic strategies and has not been comprehensively updated to reflect the City's current approach. It is now time to update and create tools to align with the 2023 EHSP to ensure the City can effectively support business growth, job creation, and be nimble to respond to changing economic conditions.

## **Regional Landscape**

Fort Collins is in a period of economic transition. While the City has historically benefited from steady population growth, a vibrant local economy, and a strong regional identity, recent trends indicate increased competition, not only within northern Colorado, but other cities and states. Northern Colorado (Larimer/Weld Counties) continues to have strong population growth, significantly outpacing many parts of the U.S., with Weld County often leading in the State's growth. The growth in our neighboring communities within northern Colorado (population, jobs, sales tax revenue) can be attributed to land availability, affordability, diversity of workforce opportunities, access to the interstate/major corridors, favorable business climate, and a proactive business attraction and retail development strategy. Neighboring communities' economic development strategies focus on competing to attract retail development (especially along I-25) and primary employers.

Moreover, changes in consumer behavior- how and where people work- are altering traditional economic patterns. Currently, at least one of every three jobs in northern Colorado can be traced to the City of Fort Collins. While most of communities in northern Colorado are exporters of labor (meaning people leave their community to work elsewhere), Fort Collins is a net importer of labor (about 50,000 travel into the community for work). In retail attraction/development, the heightened competition for sales tax revenue, as well as the shifts in how consumers shop, is contributing to softer local sales tax revenues. In today's environment, businesses are actively being courted by other communities seeking to attract their expansions, potentially resulting in lost jobs and economic opportunity for the community. Together, these trends underscore the need for the City to adapt its approach to economic health and land use policy to remain competitive and resilient in a more dynamic regional economy.

## **PRIMARY EMPLOYMENT STRATEGY**

### **2013 Process**

The policy adopted in 2013 created a formal process for developing business assistance packages for primary employers that was predictable, equitable, created eligibility parameters, and ensured a performance-based approach to the assistance. The City offered three types of tools:

- 1) Private Activity Bond Financing;
- 2) Manufacturing Use Tax Rebates; and
- 3) Business Personal Property Tax Rebates.

All assistance packages were performance-based agreements designed to support and encourage new business development, business expansion, and relocations that either retained or generated net new primary jobs. EHO oversees all business assistance agreements to ensure compliance and performance before rebates are issued. All agreements must be approved by Council.

## Issue

Since 2012, the City of Fort Collins has supported five business retention and expansion (“BRE”) projects under the Policy, resulting in significant economic benefits for the community. These projects have helped to retain 1,384 jobs, create 891 new jobs, and generated over \$551M in private capital investment. This reflects a shared commitment between the City and local employers to drive meaningful, result-oriented economic growth and community investment.

However, the tools have not been utilized since 2015 as their potential impact has waned. A few examples of why these tools have become less effective are:

- Reduction of Manufacturing Use Tax Rebate Opportunity: The Colorado nexus threshold impacting use tax eligibility (\$100,000 threshold for economic nexus), have reduced the amount of use tax collected, as this has moved to sales tax collection. There is no assistance policy on sales tax rebates.
- No City Business Property Tax Mill to Allocate: The agreement between the City of Fort Collins and Poudre Fire Authority (“PFA”) which established a funding formula where PFA received a portion of the City’s property tax collected within city limits. Therefore, there is no business property tax rebate to give.

The table below is the City, and neighboring communities, business incentive policy tools.

**Table 1: Existing Primary Employer Business Incentives**

	Fort Collins	Loveland	Greeley	Windsor	Colorado Springs
<b>Manufacturing Use/Sales Tax</b>	50% Use Tax Rebate (excludes research and development)	Sales Tax waived, deferred, or rebated	Deferral or Reduction	✗	50% of City’s Sales and Use Tax; 50% on annual machinery & eqpt
<b>Construction Materials Use/Sales Tax</b>	Only utilized on the Woodward project	Fees waived	Deferral or Reduction	✓	50% sales and use tax construction materials
<b>Business Personal Property (BPP) Tax Rebate</b>	50% of the City’s mills up to 7 years	50% not to exceed 10 years	50% of City’s mills on Real & Business Personal Property	50% of Town’s mills up to 10 years	100%
<b>Cash Incentives</b>	✗	✓	✓	✓	✓
<b>Building Permit and/or Inspection Fee Waivers</b>	✗	✓	✓	✓	✗
<b>Capital Expansion Fees Waivers</b>	✗	✓	✓	✓	✗
<b>Expedited Review</b>	✗	✓	✓	✓	✓

	Fort Collins	Loveland	Greeley	Windsor	Colorado Springs
<b>Other</b>	N/A	Incentives under \$30K can be done administratively; Public Infrastructure Reimbursements	Economic Development Incentive Fund (EDIF) grants, loans (below market), or forgivable debt; Public Infrastructure	Water/sewer tap fees, stormwater drainage fees; training grant up to \$10K; access to CDBG funds for infrastructure	N/A

A strategically designed business assistance policy can catalyze private investment in Fort Collins, driving job creation, opportunities for upward mobility, and increased sales tax revenue.

### **Updated Strategy for Primary Employers**

The City's vision for a thriving economy can be better realized with tools for business retention, expansion, and attraction. Fort Collins' Business Assistance Package is currently outdated and would be more effective if it was updated to respond to changing community needs and dynamic economic conditions. Without modern economic development supports, we risk being less competitive as a community, potentially resulting in companies in our areas choosing other locations in which to invest and grow.

### **Potential Tools for Primary Employer Assistance Package**

- Manufacturing Use and Sales Tax Rebate, including research and development – 50% of general fund tax
- Expedited Review
- Construction Materials Use and Sales Tax Rebate – 50% of general fund tax
- Building Permit Reduced Fees

### **Desired Outcome**

A strategically designed business assistance policy can serve as a catalyst for further private investment in Fort Collins, creating jobs, opportunities for upward mobility, and sales tax revenue. By targeting support, the City can guide growth in alignment with community priorities while leveraging its competitive advantages in a way that benefits businesses and people. Together, these outcomes strengthen the local economy's resilience, foster long-term stability, and position Fort Collins for sustainable economic growth.

### **Foundational Conditions and Opportunities**

Primary employers and Main Street businesses are interconnected yet serve distinct roles in a healthy local economy. Primary employers bring net new dollars into the community, which then circulate through neighborhood businesses. Additionally, a strong local retail and service sector enhance quality of life and help attract and retain both workers and employers. A durable economic growth strategy therefore requires coordinated support for both, and land use and regulatory tools that protect and enable commercial activity in key locations.

EHO advances this approach by coordinating local, county, and state incentives through regional partnerships, while deploying place-based tools such as the expanded Fort Collins Enterprise Zone and the State's first CHIPS Zone. EHO also serves as a concierge for major expansion projects through

representation at the State's Economic Development Commission. Together, these efforts supported three primary employer expansions in 2024 and 2025, retaining 1,170 jobs and securing \$163.7 million in committed investment.

To ensure these investments continue to translate into long-term, community-wide economic benefit, land use policy must be integrated; for example, aligning commercial zone districts with the City's long-term economic and community goals, such as the 15-minute city. While Fort Collins zoning is broadly permissive and supports commercial development, the City's five commercial zone districts create confusion and currently function similarly in practice, particularly with respect to density and residential allowances. Reconfiguring these districts could better align regulations with intended retail and employment roles, support reinvestment and adaptation over time, and more effectively shape development outcomes.

## RETAIL STRATEGY

### Issue

Fort Collins lacks a cohesive, proactive retail incentive strategy as sales tax growth softens and neighborhood centers age. Brick and mortar retail has stagnated, while regional competitors increasingly use sales tax incentives to attract high value retailers. As a result, Fort Collins is losing regional market share, experiencing sales tax leakage, and missing reinvestment opportunities. Without a clear, City-led framework, retail investment remains inconsistent and misaligned with long term economic health and 15 Minute City objectives.

### Retail Analysis

Sales tax is the City's primary discretionary revenue source, making retail performance central to fiscal sustainability. Over the past 15 years, regional peers have significantly outpaced Fort Collins in new retail development, often supported by incentives. Meanwhile, Fort Collins sales tax growth has been driven largely by online collections rather than physical retail expansion, signaling declining regional competitiveness.

Retail investment potential varies by location

- Regional Nodes, for example Front Range Village, drive sales tax and regional competitiveness.
- Neighborhood Centers, like Cedarwood Plaza, are grocery anchored and support neighborhood vitality and 15 Minute City goals.
- Neighborhood Strips, like Campus West Shops, serve local needs but offer limited regional fiscal impact. When structured as performance based, time limited, and capped, sales tax incentives responsibly leverage private investment using revenue that would not exist without the project. Peer cities routinely deploy these tools, placing Fort Collins at a competitive disadvantage without a comparable approach.

**Table 2: Existing Regional Retail Business Incentives**

	Timnath	Erie	Loveland	Northglenn	Berthoud
Type	Statutory town	Statutory town	Home rule city	Home rule city	Home rule city
Population	10,848	30,155	82,252	35,219	12,754
Policy or Ordinance	Enhanced sales tax incentive	Enhanced sales tax incentive	Retail development incentive	Enhanced sales tax incentive	Commercial and retail development incentive

<b>Purpose</b>	Economic development tool to support small business and redevelopment efforts in designated areas	New or expanding retail business	Fills or expands a retail need to bring net new sales tax, or is a redevelopment/infill project in a defined priority area	Establishment and/or expansion of retail sales tax-generating businesses	Encourage development and redevelopment of retail and commercial properties in the central business area; fill an identified retail gap; create infill or redevelopment along the Hwy 14 Ave. corridor; or create a live-work mixed-use development
<b>Eligibility Criteria</b>	Meets stated purpose	\$200,000 in new sales tax per year	Meets stated purpose	Meets stated purpose	Minimum investment of \$100,000 in building or equipment in first year after incentives awarded
<b>Use of Funds</b>	Building improvements, signage upgrades, significant redevelopment	Public or public-related purposes	Public improvements	Not specified	Waiver of construction sales and use taxes; sales tax rebates on a case-by-case basis; not to exceed 5% of total project budget
<b>Maximum Incentive</b>	Up to 50% of net new sales tax; maximum amount or term not specified	No more than 50% of net new eligible sales taxes	Sales tax rebates considered on a case-by-case basis	Shareback of up to 75% of incremental sales taxes over approved term	Façade improvement grants up to 25% of total costs, maximum \$10,000; public infrastructure reimbursements on a case-by-case basis
<b>Other Incentives</b>	Potential refunds on construction use tax or building permit fees	Potential reduction or waiver of application, permit, and/or development fees	Waiver of development fees, use taxes, capital expansion fees, or impact fees	Not specified	Not specified

<b>Approval Authority</b>	Town Board	Board of Trustees (public hearing)	City Manager approval below \$30,000; City Council above \$30,000 up to \$150,000 in one year	City Council	Town Board
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### **Proposed Retail Strategy**

Adopt a tiered, proactive retail incentive framework that aligns incentive scale with location, impact, and community benefit while maintaining fiscal discipline and transparency.

#### **Core Elements**

- Focus incentives on Regional Nodes and Neighborhood Centers, where outcomes most strongly support durable sales tax growth, reinvestment, and 15 Minute City objectives
- Use performance based, time limited, and capped incentives tied exclusively to new, project generated sales tax revenue
- Apply clear guardrails to ensure measurable public benefit, including sales tax growth or leakage reduction, redevelopment of existing sites, neighborhood access to daily needs, job quality, and infrastructure efficiency
- Maintain flexibility to respond to market conditions while avoiding overly prescriptive requirements
- Require Council approval for all incentive agreements

#### **Potential Incentive Tools**

##### **Enhanced Sales Tax Incentive Program ESTIP**

- Used for large scale regional retail attraction or redevelopment with significant infrastructure needs
- Typically 10 to 20 years, capped, and tied to sales tax increment
- May support a broader economic development reinvestment strategy

##### **Simple Sales Tax Share Back**

- A streamlined tool for neighborhood center redevelopment
- Shorter terms, typically 5 to 10 years
- Scalable participation aligned with 15 Minute City outcomes

#### **Outcome**

This framework enables Fort Collins to move beyond stabilization by restoring regional competitiveness, catalyzing reinvestment in existing commercial areas, strengthening neighborhood centers, and generating durable sales tax growth while maintaining accountability, predictability, and fiscal responsibility.

### **NEXT STEPS**

If Council is aligned with the direction and approach outlined:

*Item 1.*

- City staff will incorporate Council feedback and proceed with developing the proposed Primary Employer and Retail Incentive Business Assistance Policy, which will include refinement of eligibility criteria, incentive tools, financial parameters, performance expectations, and evaluation metrics.
- City staff anticipates returning to Council in Q2-2026 with a proposed Business Assistance Policy for Primary Employers and Retail for further discussion, policy direction, and then consideration of adoption.

## **ATTACHMENTS**

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1. 2025 Draft Fort Collins Retail Study
2. Presentation



# FORT COLLINS RETAIL STRATEGY

DRAFT REPORT

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**Prepared for:**  
City of Fort Collins

**Prepared by:**  
Economic & Planning Systems, Inc.

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November 3, 2025

EPS #243168

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# 1. Introduction and Summary of Findings

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This report summarizes the analysis and conclusions of Economic & Planning Systems (EPS) regarding retail development conditions and opportunities in the City of Fort Collins, and recommendations for future growth, development, and revitalization.

## Background

The City of Fort Collins is working on two City Council priority efforts: the City's 15-minute City initiative and a revision of the land use code. With regard to these efforts, the City is lacking direction on how to address retail needs and gaps within the city. This lack of clarity is due to the absence of a larger citywide strategy for retail development in the community. The last citywide evaluation of supportable retail demand and sales flows was completed more than a decade ago related to the Midtown Corridor Redevelopment Study and the subsequent Foothills Mall redevelopment effort. More recently, EPS has evaluated retail demand and land use strategies at the site-specific level for the Peakview and Montava developments in the northeast part of the city; however, these efforts focused more narrowly on the need for and supportability of grocery stores to serve their immediate trade areas.

In addition to an update to the analysis of retail sales flows, the City is also updating its land use designations affecting retail and commercial uses that were last examined at a citywide scale during the 2019 CityPlan update and is seeking guidance on appropriate modifications in light of changes in development patterns. There have been significant changes to the viability of retail centers and stores over the last five years due to changing shopping patterns, including continuing increases in e-commerce sales post the COVID-19 pandemic, continued retail chain store closings and consolidations, and new competition from centers and stores in the city's surrounding suburbs.

City staff have identified a few major questions to address within the development of a comprehensive retail strategy to help guide their efforts, including the following:

- What is the condition, performance, and viability of existing retail nodes and centers within the city? What opportunities are there for revitalizing and improving underperforming properties and what land use code changes are needed to address potential issues or opportunities?
- What opportunities are there for supporting the retail needs for new neighborhoods being developed on the northern and eastern edges of the community and what opportunities are there to capture retail sales from residential growth in neighboring communities?

- What opportunities are there for supporting retail needs in new neighborhoods being developed on the eastern edge of the community and what opportunities are there to capture retail sales (and related sales taxes) from residential growth in neighboring communities?

## Scope of Work

This report is organized into five sections following this Introduction and Summary of Findings:

- Chapter 2 evaluates growth and development trends affecting retail development sales and spending in the city and in the larger Regional Trade Area.
- Chapter 3 reviews retail sales trends over the last 15 years at the national and local level including changes in sales by sector and the impact of the growth of e-commerce sales on bricks and mortar stores.
- Chapter 4 provides an estimate of retail spending potentials in the city and larger Regional Trade Area associated with new growth over a 10-year planning horizon.
- Chapter 5 presents EPS's categorization of existing commercial centers and nodes in the city and an analysis of the condition and performance of each category and center.
- Chapter 6 outlines recommended strategies and tools for addressing existing retail center conditions, new retail center development, and targeted retail store recruitment.

## Summary of Findings

1. *The City of Fort Collins is still growing, which provides opportunities for additional retail/commercial development and for strengthening existing centers.*

Fort Collins accounted for 40 percent of the county's household growth between 2010 and 2020, dropping to 27 percent since 2020. Although its share of the region's growth has slowed, it is still expected to continue to add housing units (and households) over the next decade due primarily to growth in the city's northeast quadrant in new communities including Montava, Bloom, and Peakview, with capacity for an estimated 10,000 additional housing units. This expected growth will support new neighborhood centers as well as spending at existing and possible new regional nodes.

2. ***Fort Collins has lost a share of its regional retail draw to competition from other cities in the northern front range that are building retail centers in the I-25 corridor.***

Over the last 15 years, Fort Collins has added approximately 90,000 square feet of new retail/commercial space. By contrast, Johnstown has added 1.2 million square feet, followed by Loveland with 311,000 square feet and Windsor and Timnath with more than 100,000 square feet each. Much of this growth is at I-25 interchanges that allows for greater access and market penetration than centers in Fort Collins, which are located outside of the I-25 corridor.

Taxable sales have been growing at a healthy 6 percent annual rate since 2012; which has been driven largely by e-commerce sales that are accounting for an increasingly larger share of the total. The retail category with the largest growth during this period was Miscellaneous Retailers (including most non-store retailers), which grew by an average annual rate of 16.0 percent. By contrast, several traditional brick and mortar sectors underperformed including general merchandise stores at 3.8 percent annual growth, sporting goods stores at 0.9 percent, electronics stores at 0.9 percent, and furniture and home furnishings at 3.9 percent. These lower than average sales tax growth rates for these brick and mortar categories indicates a declining share of regional sales.

3. ***The City has not been capturing its share of new retail development generated by growth in the city's surrounding trade area as a greater share of retail development has been occurring outside of the city.***

As of 2025, Fort Collins accounts for approximately 50 percent of the retail type space in Larimer County and nearly 95 percent of the space in its Regional Trade Area. However, the City's dominance is changing; from 2010 to 2025, the portions of the Trade Area outside the city added nearly 560,000 square feet of space, which was nearly twice the city total. Specifically, development in Timnath at I-25 and Harmony Road has captured a large portion of new retail development potential in the Trade Area.

4. ***Over the next 10 years, Trade Area household growth is estimated to generate an additional \$508 million in retail spending and support a net increase of approximately 405 million square feet of retail store space.***

The biggest question is how much of this growth can be captured within the city as opposed to within the surrounding trade area outside of the city. Based on residential growth patterns and trends, EPS estimates that approximately \$218.4 million, or 43 percent of this growth will be from Fort Collins residents, primarily in the northeast quadrant of the city. This expenditure growth will support an estimated 404,600 square feet of net new retail space. The City should ensure there are development sites to capture at least the retail demand driven by new residents to the city, and also has the opportunity to capture inflowing sales from new households built on the city's edges.

5. *The City has seven regional retail nodes that are the strongest and most valuable retail locations in the city and primarily contain retail businesses that have a citywide or larger appeal/draw.*

The seven regional nodes range from 344,000 to 1.5 million square feet. Downtown Fort Collins is included, but is a unique area, and accounts for 1.3 million square feet. These regional nodes are the strongest retail areas in the city and have relatively low vacancies; however, they are increasingly challenged by the growth of regional centers outside the city in the surrounding Trade Area. The City should focus efforts on supporting the long-term health and adaptation of these nodes.

6. *The City has seven neighborhood centers anchored by grocery stores that should serve as the focus of the City's 15-minute City efforts.*

These Neighborhood Centers are the central locations that provide convenience goods and services to their surrounding neighborhoods. The average size of these centers ranges from a little less than 100,000 square feet to around 300,000 square feet of commercial space and are relatively healthy with low vacancies. The future health of these centers is dependent on the viability of the grocery store anchor. The City should look to reinforce these areas as they are essential to providing more neighborhood-oriented retail areas that have long term viability due to their anchor uses.

7. *There were an additional 11 neighborhood retail nodes or strips identified with varying levels of quality and health. These areas are less valuable from an overall economic/fiscal health perspective and could be areas to allow for redevelopment into higher density uses; however, these areas are often the lowest cost spaces for new, local businesses to locate in.*

Some of these locations contain local neighborhood and community-oriented businesses while others contain a more disparate mix of service commercial uses. Their greatest assets are proximity to surrounding neighborhoods. There are opportunities for re-tenanting of existing spaces and for redevelopment and infill to improve the conditions of these spaces and generate additional demand (from new households) for neighborhood compatible and neighborhood serving businesses.

8. *The three primary areas to focus efforts on attracting retail businesses over the next 10 years are existing regional nodes in the city, a new regional location along I-25, and in emerging Neighborhood Center locations in the northeast portion of the city.*

The City should support plans for a retail/commercial site that can accommodate 150,000 to 200,000 square feet of retail development along the I-25 corridor to maximize opportunities for attracting highway adjacent retail uses and for capturing retail sales tax revenues from residents of the fast-growing suburbs

to the east. Also, the majority of the projected growth in the city is in the northeast quadrant; EPS therefore supports the City's designation of two Neighborhood Centers to address estimated demand; one at Montava and one at Bloom/Peakview.

9. *The City should consider changes to its zone districts regulating commercial uses to place a greater focus on maintaining the opportunity for retail uses in the city's Regional Nodes—which are the best retail locations in the city—and the city's Neighborhood Centers—which are important elements of producing a 15-minute city.*

The City currently has five primary zone districts that regulate retail uses. The City should consider changes to these districts to reorient a commercial zone district to support regional nodes. Consider the application of a regionally oriented zone district for Regional Nodes that is distinct from other retail areas and utilize the application of the zone district to create greater geographic definition of nodes. The City has a Neighborhood Center district that works well to support these types of areas. All of the commercial districts have broad allowances for residential uses, with little differential between districts. The City should consider changes to zone district standards that focus on maintaining the opportunity for retail/commercial uses if redevelopment occurs by limiting allowances for residential uses in higher value locations/centers. The concern is as redevelopment pressures grow to meet housing demand, high value retail locations may be lost through redevelopment. Greater definition of important location retail locations (i.e., Regional Nodes and Neighborhood Centers) through zone designations and some limitations of residential uses can prevent loss of valuable commercial land while still allowing for introduction of residential and reinvestment in centers.

10. *The City has opportunities to attract and recruit new retailers and higher sales tax generating uses to the market to fill vacant storefronts, to shore up struggling nodes and centers, and to anchor new retail centers.*

The opportunities for each major store category were identified.

- Grocery and other convenience stores – Two grocery store chains, Aldi and WinCo, are moving into Colorado and would be strong candidates to anchor neighborhood centers. Sprouts and Trader Joe's are growing chains that have a smaller presence in the city but could fill the void of potential closure of underperforming Safeway/Albertsons locations. Total Wine and More, a national chain liquor superstore, and similar chains are also larger store formats that can help fill major vacant spaces.
- General merchandise and home furnishings – Department stores are continuing to struggle with many chains closing stores. Opportunities exist for specialized home furnishings businesses including World Market, Crate and Barrel, and RH.

- Sporting Goods and Outdoor Recreation – Fort Collins is high on the radar of outdoor recreation companies and sporting goods retailers in general. Three growing store chains with opportunities for Fort Collins include Dick's House of Sports, Rally House, and Going, Going, Gone.
- Specialty Stores – The most successful specialty stores are incorporating omnichannel strategies and enhanced in-store experiences. Arc'Teryx, ZARA, and Vuori are fast growing brands expanding in Colorado and potential targets for Fort Collins.
- Entertainment Retail – Entertainment retail is a growing segment, but there were limited large scale entertainment options identified. Netflix House is a large format experiential retail attraction themed around Netflix shows. There are emerging recreation/entertainment formats (e.g., Top Golf, Chicken N Pickle) that will seek regionally oriented locations that can support existing or new Regional Nodes. Build-A-Bear is a mall-based, experiential specialty retailer designed for children.
- Restaurants and Bars – Dining and entertainment continue to be among the fastest growing retail categories including fast food and quick serve casual chains. Among national sit-down restaurant chains, three growing operators may be candidates, Cheesecake Factory, PF Chang's, and Portillo's.

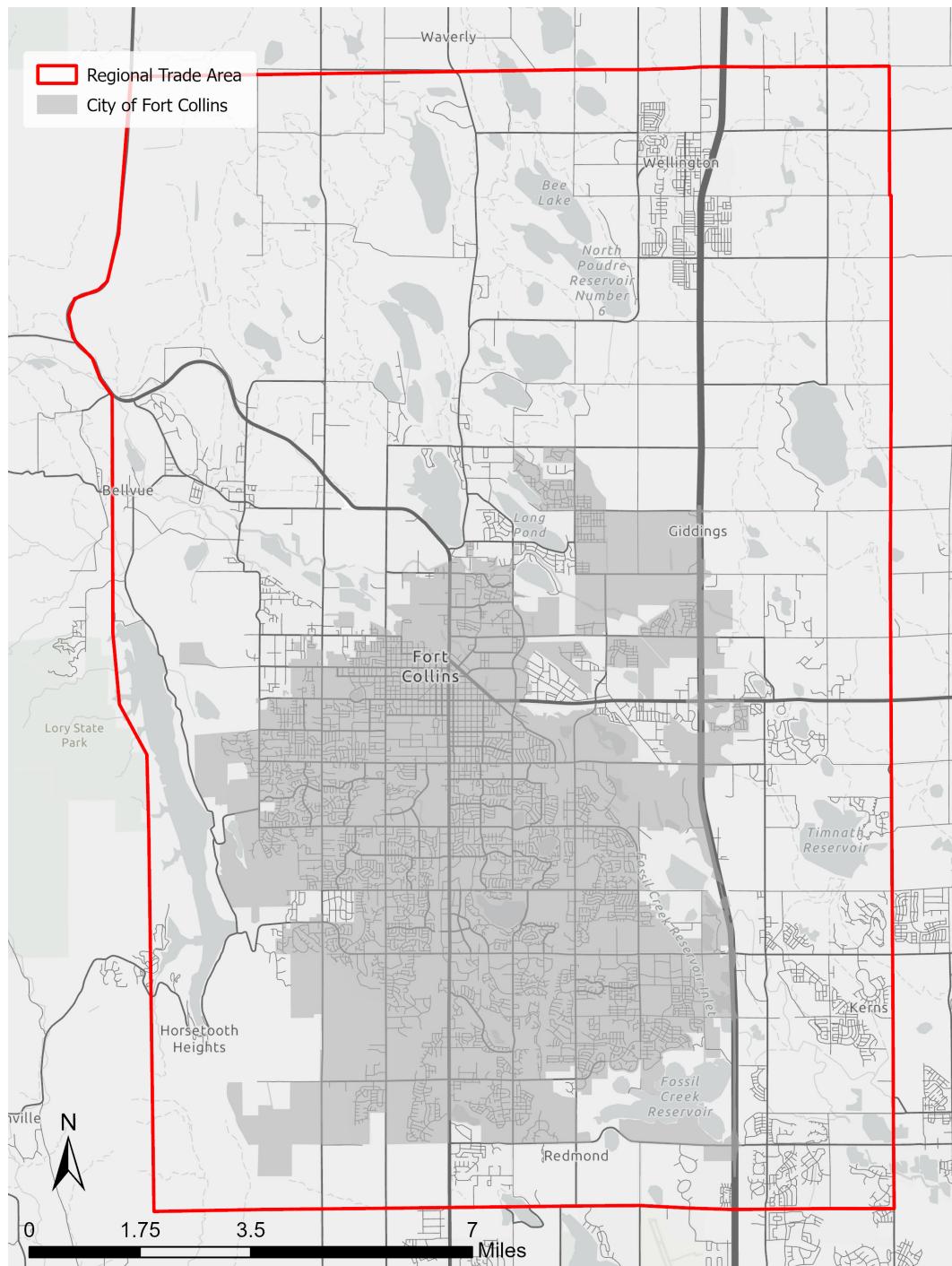
## 2. Growth and Development Trends

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The chapter provides an overview of the retail/commercial development landscape in the City of Fort Collins and the larger Regional Trade Area context. The competitive trade areas are first defined and data compiled on population and household growth and the growth of retail/commercial development space and conditions over the last 15 years.

### **Study Areas**

The demographic and market trends and conditions are tracked at three levels of geographies in this analysis, City of Fort Collins, Larimer County, and a Regional Trade Area (RTA or Trade Area) in which the City competes. The RTA is bound by the foothills to the west of Fort Collins, Larimer County to the east, County Road 66 to the north, and the City of Loveland boundary to the south (**Figure 1**).

**Figure 1. City of Fort Collins Regional Trade Area**

## Demographic Trends

### Population and Households

From 2010 to 2020, the Fort Collins region had strong population and household growth (**Table 1**). Since 2020, this growth has slowed, particularly within the city proper. From 2010 to 2020, Fort Collins gained nearly 25,000 residents, which equates to an average annual growth rate of 1.6 percent. From 2020 to 2024, Fort Collins only gained 2,753 residents, which is a 0.4 percent average annual growth rate.

More importantly, the surrounding communities in Larimer County are growing faster. From 2010 to 2020, the city accounted for 42.0 percent of Larimer County's population growth. From 2020 to 2024, the city's capture rate dropped to 14.4 percent. However, Fort Collins capture rate of household growth did not decline nearly as much between these two periods (from 39.7 percent to 24.9 percent), suggesting that there has been a rise in smaller households within the city.

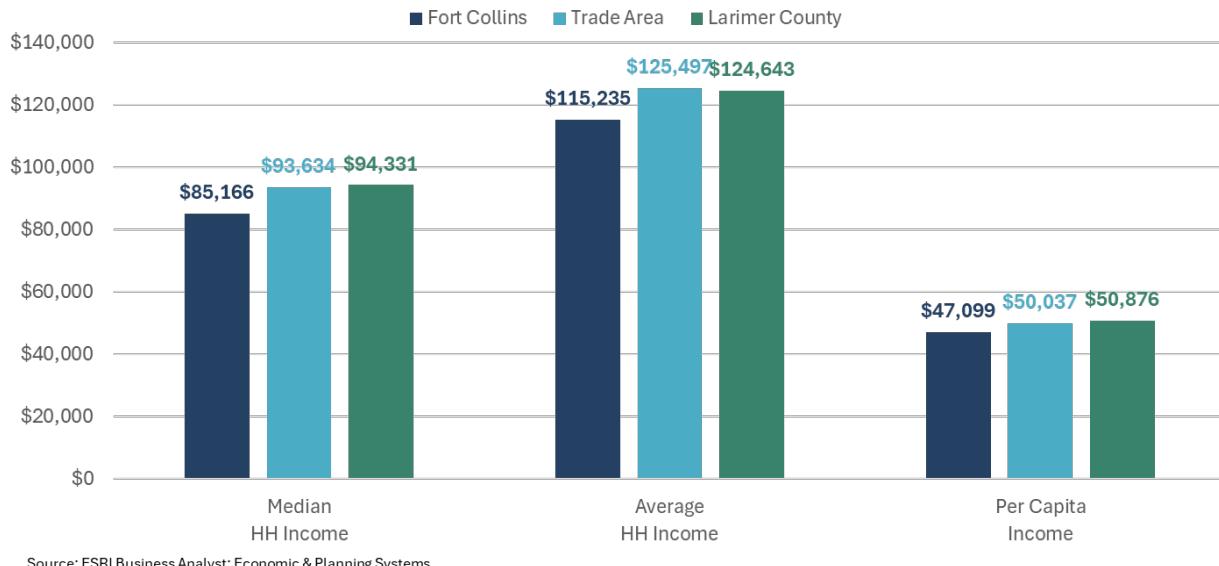
**Table 1. Population and Households, 2010 to 2024**

Description	2010	2020	2024	2010-2020			2020-2024		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
<b>Population</b>									
Fort Collins	144,872	169,828	172,581	24,956	2,496	1.6%	2,753	688	0.4%
Trade Area	183,485	220,814	230,657	37,329	3,733	1.9%	9,843	2,461	1.1%
Larimer County	299,630	359,066	378,187	59,436	5,944	1.8%	19,121	4,780	1.3%
<b>Households</b>									
Fort Collins	58,175	67,736	70,117	9,561	956	1.5%	2,381	595	0.9%
Trade Area	72,887	86,676	91,478	13,789	1,379	1.7%	4,802	1,201	1.4%
Larimer County	120,295	144,360	153,923	24,065	2,407	1.8%	9,563	2,391	1.6%

Source: ESRI Business Analyst; Economic & Planning Systems

### Household Income

The city has lower household incomes in all three categories (median, average, and per capita) when compared to the Trade Area and Larimer County (**Figure 2**), although the differences are relatively small. In 2024, average household income in the City of Fort Collins was \$115,235 compared with \$125,497 in the Trade Area and \$124,643 in Larimer County as a whole. The lower figures in the city are largely attributable to the presence of a significant student population associated with CSU.

**Figure 2. Household Income, 2024**

Source: ESRI Business Analyst; Economic &amp; Planning Systems

## Retail Development Trends

This section tracks retail space inventory and the growth in retail space and conditions in the city, Trade Area, and county over the 2010 to 2025 time period.

### Inventory

The City of Fort Collins has approximately 11.7 million square feet of retail type commercial space as of the beginning of 2025, compared to 22.9 million in Larimer County, which is a little more than 50 percent of the total. The Trade Area has 12.4 million square feet, meaning the city is the dominant location in the area with nearly 95 percent of the total. However, the city's dominance is changing. From 2010 to 2025, Fort Collins added 326,475 square feet of retail space, while the Trade Area added 557,497 square feet, which is nearly twice the total of the city (**Table 2**).

**Table 2. Retail Inventory, 2010 to 2025 Q1**

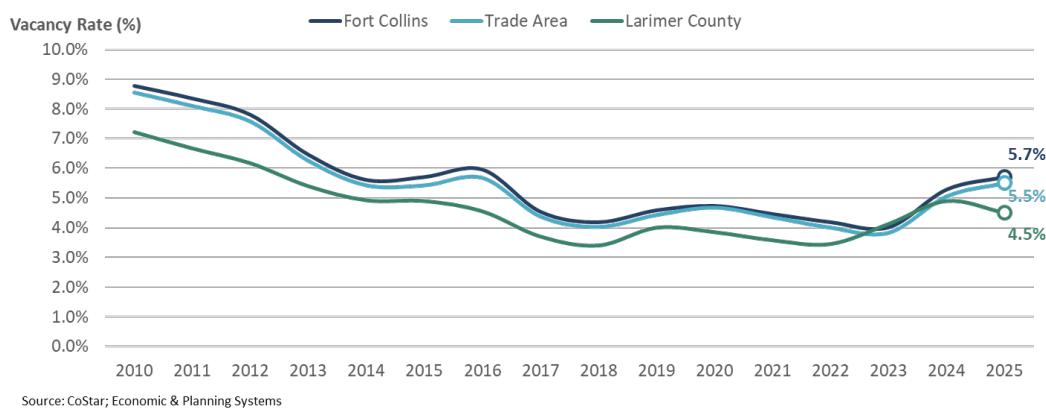
Description	2010	2015	2020	2025	2010-2025		
					Total	Ann. #	Ann. %
<b>Inventory (Sq. Ft.)</b>							
Fort Collins	11,417,484	11,653,213	11,693,032	11,743,959	326,475	21,765	0.2%
Trade Area	11,842,345	12,260,303	12,323,993	12,399,842	557,497	37,166	0.3%
Larimer County	20,985,832	21,584,142	22,717,160	22,979,517	1,993,685	132,912	0.6%

Source: CoStar; Economic &amp; Planning Systems

## Vacancy Rates

From 2010 to 2025, retail vacancy rates dropped from 8.8 percent to 5.7 percent in Fort Collins (Figure 3). The Trade Area follows a similar trend, with the vacancy rate being 5.5 percent in 2025. While the COVID-19 pandemic led to a relatively small increase in vacancy rates in both Fort Collins and the Trade Area, Larimer County's vacancy rate has since decreased to a level near 2019. In 2025, the Larimer County retail vacancy rate was 4.5 percent. In 2019, it was 4.0 percent.

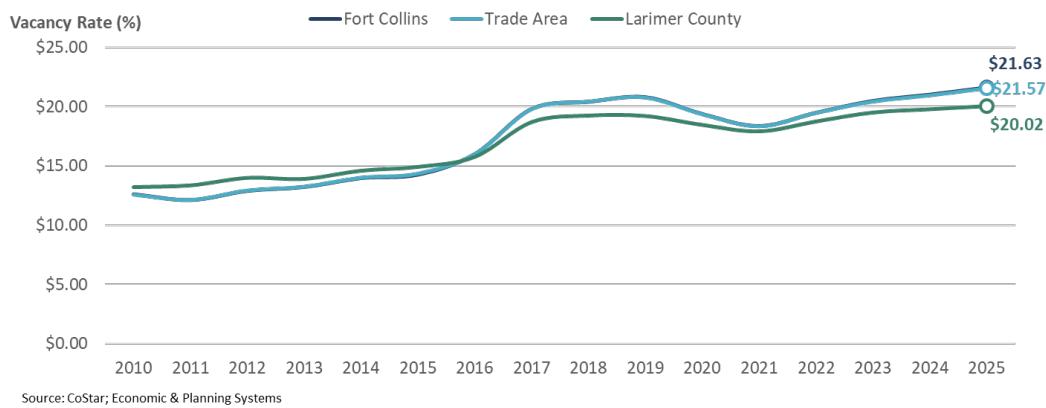
**Figure 3. Retail Vacancy Rates, 2010 to 2025 Q1**



## Rental Rates

Retail rental rates per square foot have increased consistently in the region from 2010 to 2025 (Figure 4). While rates dropped during the pandemic, they have since recovered and nearly mirror the rental rates in 2019. In 2025, Fort Collins had the highest average rental rate with a rate of \$21.63 per square foot, followed by the Trade Area with a rate of \$21.57 per square foot, and Larimer County with a rate of \$20.02 per square foot.

**Figure 4. Retail Rental Rate per Square Foot, 2010 to 2025 Q1**



## Planned/Future Development

As noted, there is significant growth in retail development outside the city but within the Trade Area. Any planned commercial/mixed-use project could have direct impact on consumer spending patterns within Fort Collins. Any planned residential project could lead to the relocation of Fort Collins residents. Therefore, both are documented in detail below.

This section highlights major new or planned developments that will impact the demand for retail space over the next 10 to 20 years, as shown in **Table 3** and summarized below:

- **Montava** – Located in the relatively undeveloped northeast quadrant of the city at Mountain Vista Drive and North Giddings Road, Montava, is a large 860-acre mixed use project planned for 3,500 single-family residential units, 2,000 multifamily units, and 200,000 square feet of office space and an undermined amount of retail and hotel space in a town center.
- **Peakview** – Located north of Mulberry Street between Downtown Fort Collins and I-25, Peakview includes industrial, retail, and office space. The square footage of each use has yet to be determined. The project is not currently under development.
- **Bloom** – Located north of Mulberry Street and west of Greenfield Drive, Bloom is a 226-acre mixed use project with 1,600 to 2,000 housing units planned and a 20-to-30-acre neighborhood commercial center anchored by a grocery store.
- **Ladera** – Located on Harmony Road east of I-25 in the Town of Timnath, Ladera is a significant retail/commercial project currently under development in the Trade Area just outside the city limits. The project contains a 75,000 square foot Floor & Décor store that opened in 2025. There is an additional 225,000 square feet of retail space planned for development over the next five years, anchored by national credit tenants, as well as a 125-room hotel, a 100,000 square foot self-storage facility, and 5,500 square foot automotive repair facility.

Outside of the Trade Area, there are two additional planned commercial/mixed-use developments of regional significance that will impact the competitive shopping environment: Ledge Rock in Johnstown, and Centerra in Loveland.

- **Ledge Rock** – Located east of I-25 on County Road 60, Ledge Rock has 196 single-family units and 1,020 multifamily units planned, as well as 880,000 square feet of retail space. Recently developed space includes two retail anchor stores–Murdoch's Ranch & Home Supply, and Woods Market–and a new grocery store in the market area.

- **Centerra South** – Located at the southwest corner of I-25 and Eisenhower Boulevard, Centerra South includes 1,204 residential units, 249,500 square feet of retail space, 75,000 square feet of office space, 139,000 square feet of hotel space, 18,400 square feet of civic space, 149,700 square feet of future mixed-use development, and 69,000 square feet of future hotel space. Additional residential units within the mixed-use development and the number of hotel rooms have yet to be determined. Centerra South is not currently under development.

**Table 3. Planned Commercial and Mixed-Use Developments**

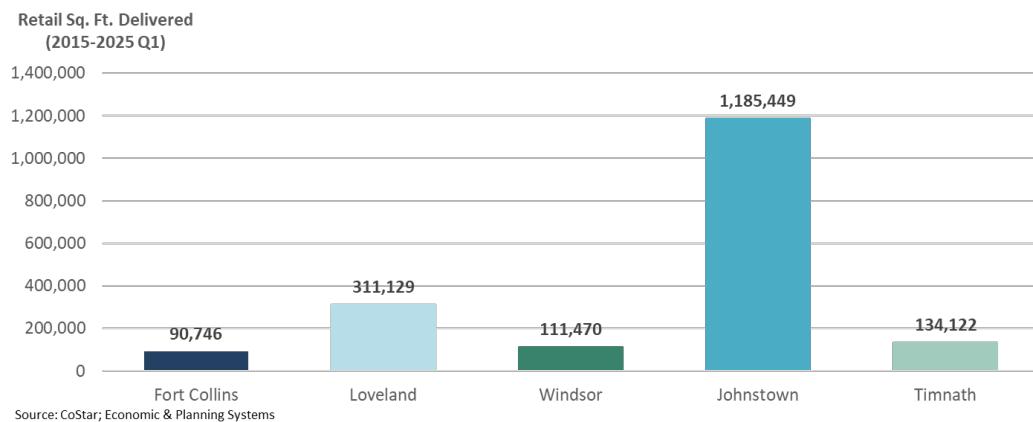
Development Name	Units/Rooms	Sq. Ft.	Development Name	Units/Rooms	Sq. Ft.			
<b>Trade Area</b>								
<b>Montava (Fort Collins)</b>								
Single-Family	3,500	--	Ledge Rock (Johnstown)	196	--			
Multifamily	2,000	--	Multifamily	1,020	--			
Office	--	200,000	Retail	--	880,000			
Hotel	TBD	TBD	<b>Total</b>	<b>1,216</b>	<b>880,000</b>			
Industrial	--	TBD	<b>Centerra South (Loveland)</b>					
Retail	--	TBD	Residential/MF	1,204	--			
<b>Total</b>	<b>5,500</b>	<b>200,000</b>	Retail	--	249,500			
<b>Peakview (Fort Collins)</b>			Office	--	75,000			
Industrial	TBD	TBD	Hotel	TBD	139,000			
Retail	TBD	TBD	Civic	--	18,400			
Office	TBD	TBD	Future Mixed-Use	TBD	149,700			
<b>Total</b>	<b>TBD</b>	<b>TBD</b>	Future Hotel	TBD	69,000			
<b>Bloom (Fort Collins)</b>			<b>Total</b>	<b>1,204</b>	<b>700,600</b>			
Residential	1,600-2,000	--						
Retail	--	20-30 acres						
<b>Total</b>	<b>1,600-2,000</b>	<b>20-30 acres</b>						
<b>Ladera (Timnath)</b>								
Retail	--	223,930						
Other	--	106,900						
TBD	--	21,000						
Hotel	125	TBD						
<b>Total</b>	<b>125</b>	<b>351,830</b>						
<b>Total Trade Area</b>	<b>7,225</b>	<b>551,830</b>	<b>Total Outside Trade Area</b>	<b>2,420</b>	<b>1,580,600</b>			

Source: Economic & Planning Systems

## Regional Retail Trends

Within the nearby region, the community with the largest growth in its retail inventory over the last 15 years is Johnstown, which had nearly 1.2 million square feet of retail space delivered (Figure 5). This is followed by Loveland, which had 311,129 square feet of retail space delivered from 2010 to 2025. Total retail deliveries for Timnath, Windsor, and Fort Collins during this period were around 100,000 square feet each.

**Figure 5. Regional Retail Deliveries, 2010 to 2025 Q1**



## Housing Development Trends

### Active and Future Development

There is a total of 15,186 residential units planned to be developed within the Trade Area over the next 20 years (Table 4). Of these, 56.6 percent are single family, 27.2 percent are townhomes, and 16.3 percent are condominiums. This is quite a change from current residential development patterns. Of 5,299 residential units currently being built within the Trade Area, 73.7 percent are single family, 18.2 percent are townhomes, and 8.1 percent are condominiums.

**Table 4. Active and Future Residential Development**

Status	Units	% of Total
<b>Active</b>		
Single-Family	3,906	73.7%
Townhouse	964	18.2%
Condominium	429	8.1%
<b>Total</b>	<b>5,299</b>	<b>100.0%</b>
<b>Future</b>		
Single-Family	8,591	56.6%
Townhouse	4,123	27.2%
Condominium	2,472	16.3%
<b>Total</b>	<b>15,186</b>	<b>100.0%</b>

Source: Zonda; Economic & Planning Systems

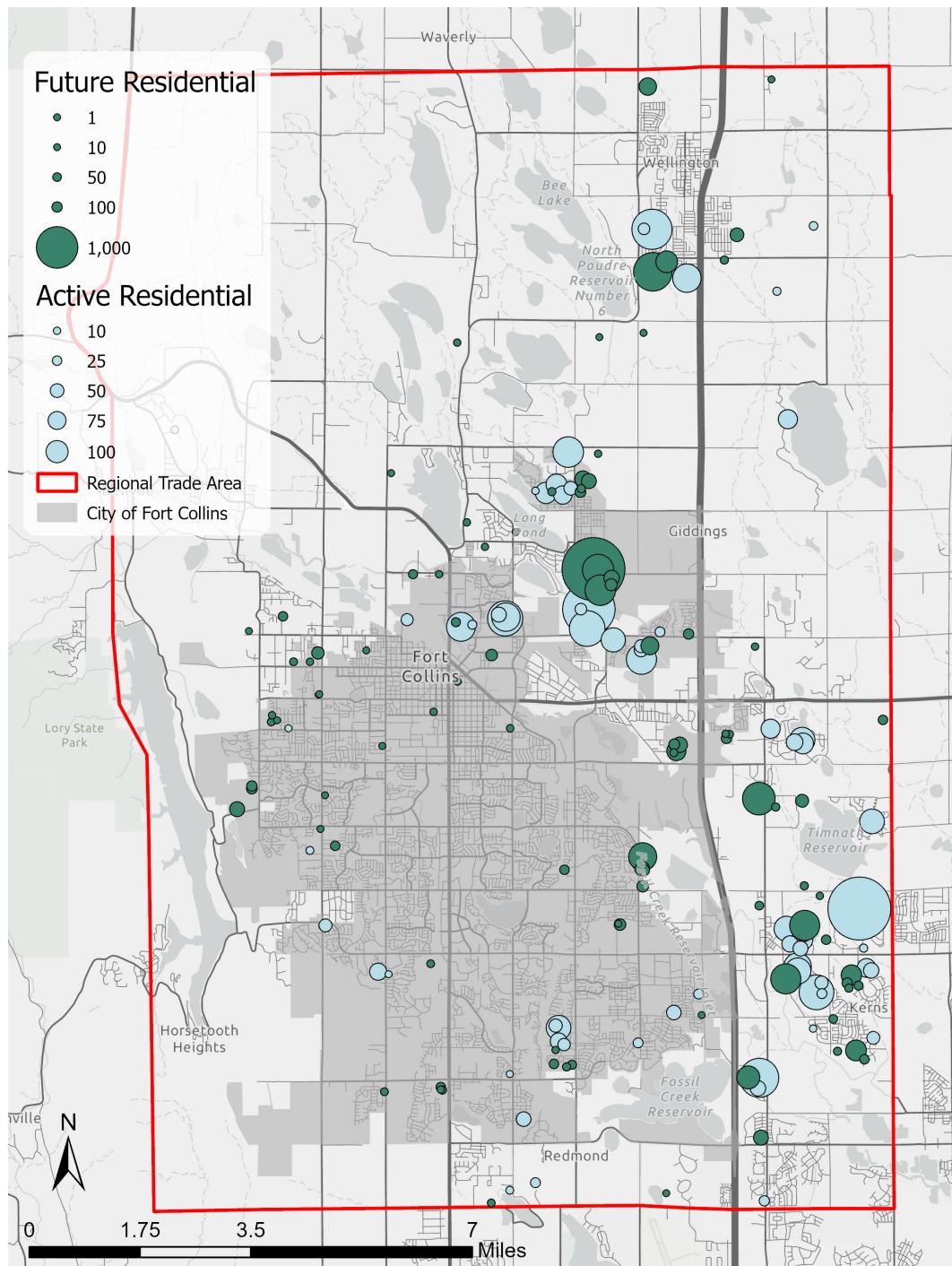
Of the 5,299 housing units under active developments, over half (51.4 percent) are occupied, indicating that these units have been recently sold (Table 5). Just over 12 percent of the active units are considered “Housing Inventory” by Zonda, which means that the units are fully constructed, but not yet sold. 29.3 percent of the active units are vacant developed lots, indicating that the lots have all necessary infrastructure (i.e., water and sewer), but have yet to go “vertical.” The remaining 381 units, or 7.2 percent of the total active units, are considered future lots and have yet to be developed.

**Table 5. Active Residential Development**

Active Development	Units	% of Total
<b>Total</b>		
Occupied	2,722	51.4%
Housing Inventory	641	12.1%
Vacant Developed Lots	1,555	29.3%
Future Lots	381	7.2%
<b>Total</b>	<b>5,299</b>	<b>100.0%</b>

Source: Zonda; Economic & Planning Systems

Most active and future residential development in the Trade Area is in the northeast quadrant of the city as well as to the east of Fort Collins in Timnath and Windsor as shown in Figure 6. There is also some active development just south of Wellington.

**Figure 6. Active and Future Residential Development**

### 3. Retail Sales Trends

This chapter tracks changes in retail sales trends by store category and between e-commerce and bricks and mortar stores. National and state data and Fort Collins city data are reviewed for multiple timeframes based on availability.

#### National Retail Sales Trends

U.S. Census data on the Retail Trade sector shows a significant consolidation in the number of businesses over the COVID-19 pandemic timeframe as shown in **Table 6**.

**Table 6. National Retail Trade Industry Trends, 2017 to 2022**

Year	Firms	Establishments	Employees	Annual Payroll	Total Sales
<b>2017</b>					
Retail trade	647,480	1,064,087	15,938,821	\$441,795,577	\$4,949,601,481
Total	<b>5,802,347</b>	<b>7,590,729</b>	<b>124,616,999</b>	<b>\$6,467,970,658</b>	<b>\$36,955,226,883</b>
% of Total	11.2%	14.0%	12.8%	6.8%	13.4%
<b>2022</b>					
Retail trade	644,146	1,040,277	17,077,240	\$611,652,252	\$6,974,691,329
Total	<b>6,211,253</b>	<b>8,030,999</b>	<b>136,378,030</b>	<b>\$8,496,724,158</b>	<b>\$50,444,215,244</b>
% of Total	10.4%	13.0%	12.5%	7.2%	13.8%
<b>Difference</b>					
Retail trade	-3,334	-23,810	1,138,419	\$169,856,675	\$2,025,089,848
Total	<b>408,906</b>	<b>440,270</b>	<b>11,761,031</b>	<b>\$2,028,753,500</b>	<b>\$13,488,988,361</b>
% of Total	-0.8%	-1.1%	-0.3%	0.4%	0.4%

Source: U.S. Census Bureau Economic Census; Economic & Planning Systems

In 2022, there were 3,334 less firms and 23,810 less individual establishments than in 2017. While total retail sector employment grew by approximately 1.2 million employees from 15.9 million to 17.1 million employees, its total share of total employment across all industries decreased from 12.8 percent to 12.5 percent. Payroll (i.e., wages) and Total Sales grew from 2017 to 2022. Payroll increased by \$169.9 million and Total Sales increased by \$2.0 billion. However, this growth only increased retail's total share of payroll and sales by 0.4 percent.

## E-Commerce

E-Commerce has become a driving force in retail over the last decade. Nationally, e-commerce increased its total share of retail sales by 10.2 percentage points from 2010 to 2021 as shown in **Table 7**. Apart from a surge during 2020, the annual growth rate for e-commerce sales was between 13 to 18 percent annually between 2010 and 2021.

**Table 7. National Retail Trends, E-Commerce**

Year	Bricks and Mortar	E-Commerce Sales	Total Retail Sales	Total % E-Commerce	Ann. % Growth
2010	\$3,648,127	\$169,921	\$3,818,048	4.5%	--
2011	\$3,902,595	\$200,357	\$4,102,952	4.9%	18%
2012	\$4,070,084	\$232,145	\$4,302,229	5.4%	16%
2013	\$4,197,728	\$261,455	\$4,459,183	5.9%	13%
2014	\$4,342,699	\$297,862	\$4,640,561	6.4%	14%
2015	\$4,387,857	\$338,128	\$4,725,985	7.2%	14%
2016	\$4,464,153	\$384,269	\$4,848,422	7.9%	14%
2017	\$4,596,502	\$443,712	\$5,040,214	8.8%	15%
2018	\$4,744,026	\$507,622	\$5,251,648	9.7%	14%
2019	\$4,824,880	\$571,714	\$5,396,594	10.6%	13%
2020	\$4,754,835	\$817,195	\$5,572,030	14.7%	43%
2021	\$5,563,894	\$958,715	\$6,522,609	14.7%	17%

Source: U.S. Census Retail Trade Sales; Economic & Planning Systems

The Supreme Court Wayfair requires online retailers to pay state and local sales taxes regardless of whether they have an on-site presence. As a result, Colorado is better able to track the volume of online retail spending. Prior to the Wayfair decision (2016-2018), non-store retail sales accounted for around 3 to 4 percent of total retail sales in major cities throughout Colorado, as shown in **Table 8**. Since 2019, this percentage has increased to 12 percent.

**Table 8. Colorado Retail Trends, E-Commerce**

Year	Non-Store Sales	Brick & Mortar Sales	Total Retail Sales	Total % Non-Store	Ann % Growth
2016	\$1 B	\$31.7 B	\$32.7 B	3.1%	--
2017	\$1.2 B	\$32.9 B	\$34.2 B	3.6%	22%
2018	\$1.5 B	\$34.8 B	\$36.3 B	4.1%	19%
2019	\$2.3 B	\$35.3 B	\$37.5 B	6.0%	53%
2020	\$5 B	\$36.8 B	\$41.8 B	12.0%	122%
2021	\$5.7 B	\$41.5 B	\$47.1 B	12.0%	13%

Source: CO Dept. of Revenue, Economic & Planning Systems

## Fort Collins Retail Sales Trends

The City of Fort Collins collects its local portion of sales tax and can therefore track taxable sales by sector (NAICS category). Total taxable sales tax receipts grew from a total of \$88.3 million in 2012 to \$174.6 million in 2024, which equates to an average annual growth rate of 5.8 percent as shown in **Table 9**. Sales tax receipts from retail sectors grew by an average annual rate of 6.0 percent compared to an average annual rate of 5.2 percent for non-retail categories.

### Retail Definitions

For analysis purposes, retail stores are categorized based on shopping and trade area characteristics listed below. Each is described with examples to clarify the types of retail stores included in each of the categories.

**Convenience Goods** – This category includes supermarkets and other grocery stores, convenience stores, as well as liquor, drug, and other specialty food stores. These stores sell frequently purchased, low-cost items with little product differentiation. The primary locations for Convenience Goods stores are the supermarket-anchored neighborhood shopping centers and smaller convenience centers, as these items are most often bought close to home.

**Shoppers' Goods** – This category includes general merchandise, apparel, sporting goods, furniture and home furnishings, appliance, and other specialty goods stores. General merchandise stores include traditional department stores (e.g., JCPenney, Kohl's, Dillard) as well as discount-oriented superstores and membership warehouses (e.g., Walmart, Sam's Club, Target, and Costco). The product lines of these stores are generally more expensive, less frequently purchased items. In general, people are more likely to comparison shop for Shoppers' Goods and are often more willing to travel farther to buy them. In urban/suburban settings, the primary locations for regional Shoppers' Goods are traditional downtown shopping districts, regional shopping centers, power centers, and freestanding large format stores.

**Eating and Drinking Establishments** – This category covers restaurants including conventional sit-down and fast food, and bars. Businesses in this category exhibit some of the characteristics of convenience stores in that many restaurant expenditures are made at establishments close to home and on a frequent basis. However, some higher quality restaurants, unique in the marketplace, can have a regional draw.

## Sales by Category

The retail category with the largest growth during this period was Miscellaneous Retailers, which added \$23.1 million in sales tax receipts and grew by an average annual rate of 16.0 percent. Miscellaneous Retailers includes most non-store retailers, so the growth in this sector is greatly influenced by the growth in e-commerce sales. Other sectors growing faster than the overall retail average include pharmacies and salons at 9.5 percent and restaurants and bars at 6.3 percent.

By contrast, several traditional brick and mortar sectors underperformed as shown in **Figure 7**, including general merchandise stores at 3.8 percent annual growth, sporting goods stores at 0.9 percent, electronics stores at 0.9 percent, and furniture and home furnishings at 3.9 percent.

**Figure 7. Historic Growth Rates by Retail Category, 2012 to 2024**

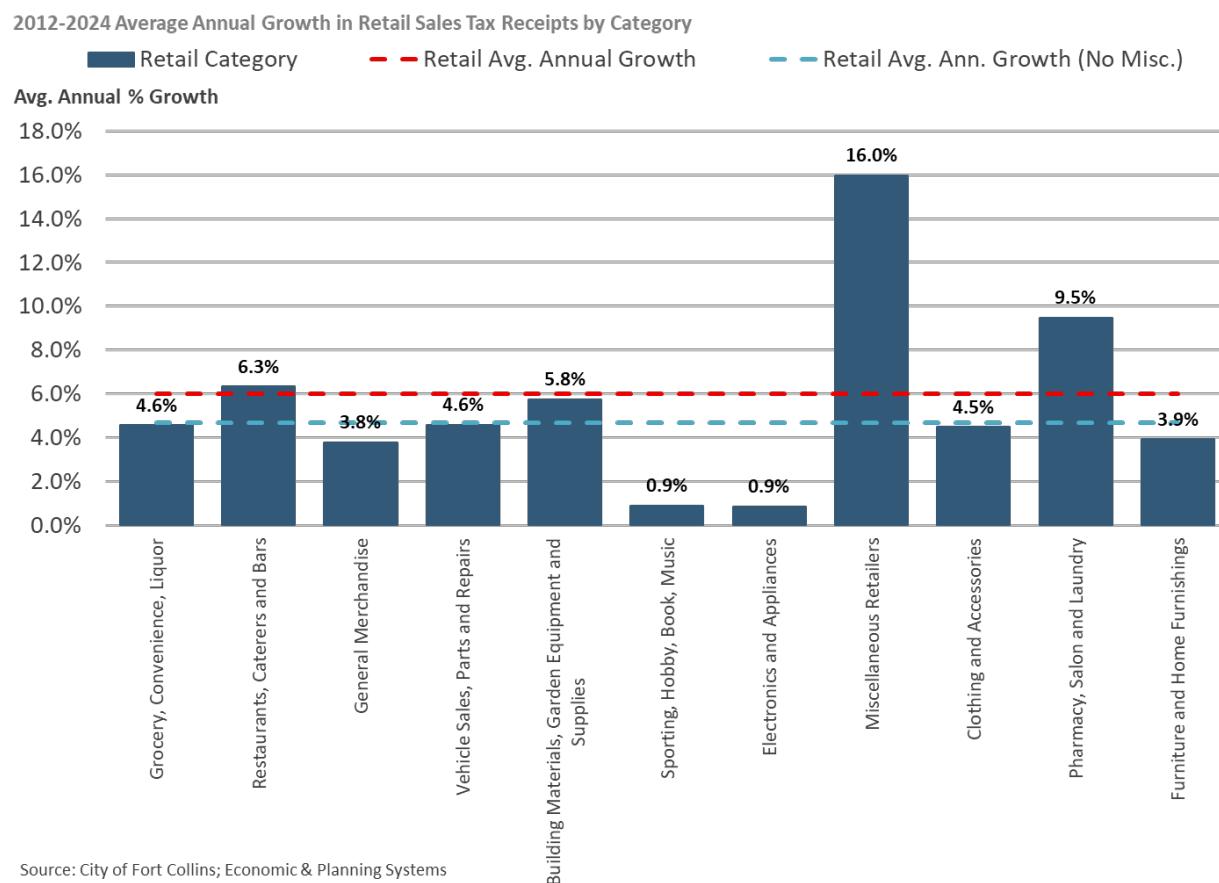


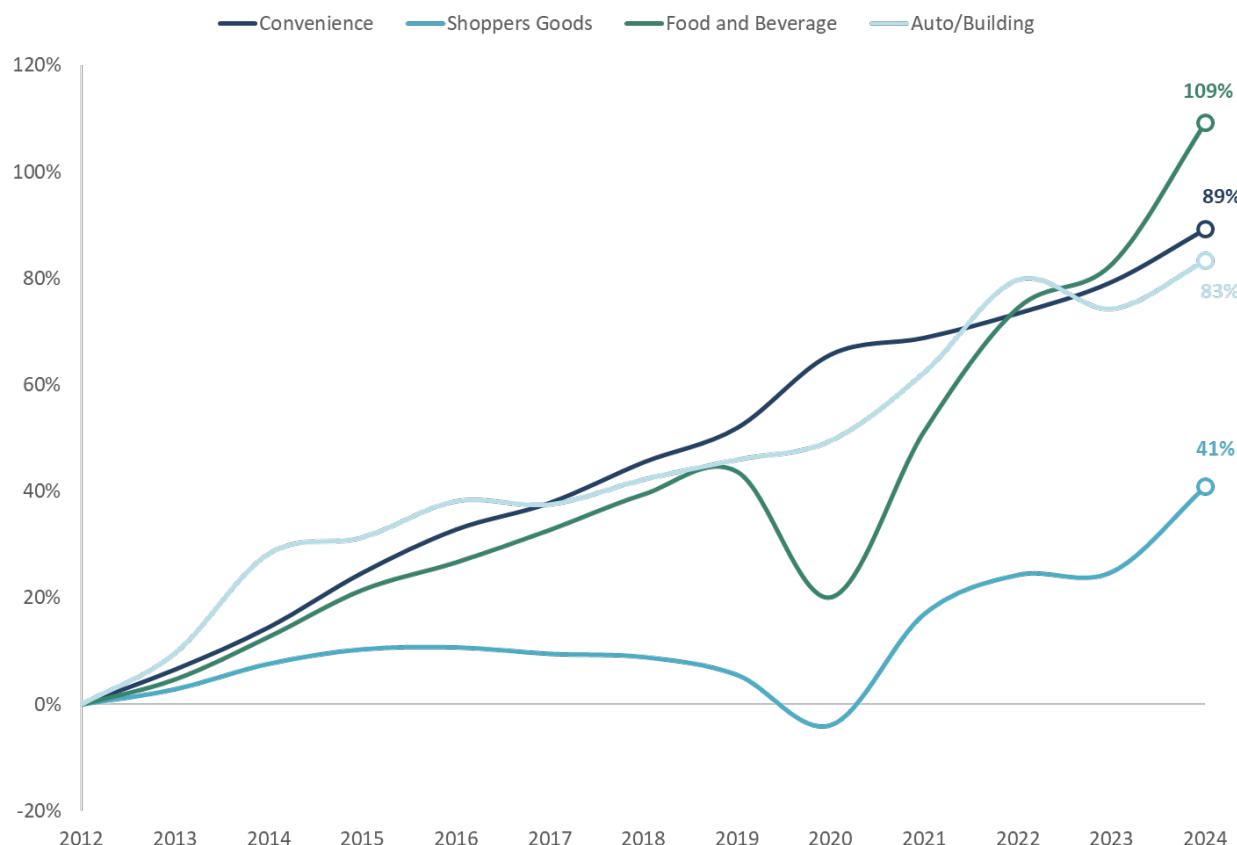
Table 9. Fort Collins Sales Tax Receipts, 2012 to 2024

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2012-2024		
														Change	Ann. #	Ann. %
Grocery, Convenience, Liquor	\$12.2 M	\$13.0 M	\$13.8 M	\$14.5 M	\$15.1 M	\$15.1 M	\$15.6 M	\$15.9 M	\$17.4 M	\$17.4 M	\$18.3 M	\$19.7 M	\$20.8 M	\$8.7 M	\$0.7 M	4.6%
Restaurants, Caterers and Bars	\$13.0 M	\$13.6 M	\$14.6 M	\$15.8 M	\$16.4 M	\$17.2 M	\$18.1 M	\$18.6 M	\$15.6 M	\$19.6 M	\$22.6 M	\$23.7 M	\$27.1 M	\$14.2 M	\$1.2 M	6.3%
General Merchandise	\$10.4 M	\$10.8 M	\$11.0 M	\$10.7 M	\$10.2 M	\$10.2 M	\$10.7 M	\$10.6 M	\$10.7 M	\$11.9 M	\$13.1 M	\$13.6 M	\$16.3 M	\$5.9 M	\$0.5 M	3.8%
Vehicle Sales, Parts and Repairs	\$7.0 M	\$7.5 M	\$8.6 M	\$8.8 M	\$8.8 M	\$9.1 M	\$9.1 M	\$9.3 M	\$9.0 M	\$10.0 M	\$10.7 M	\$11.1 M	\$11.9 M	\$5.0 M	\$0.4 M	4.6%
Building Materials, Garden Equipment and Supplies	\$6.4 M	\$7.2 M	\$8.5 M	\$8.7 M	\$9.7 M	\$9.3 M	\$9.9 M	\$10.1 M	\$10.9 M	\$11.7 M	\$13.3 M	\$12.1 M	\$12.5 M	\$6.1 M	\$0.5 M	5.8%
Sporting, Hobby, Book, Music	\$5.2 M	\$5.3 M	\$5.4 M	\$5.7 M	\$5.6 M	\$5.3 M	\$5.1 M	\$5.1 M	\$4.4 M	\$6.1 M	\$5.7 M	\$5.4 M	\$5.8 M	\$0.6 M	\$0.0 M	0.9%
Electronics and Appliances	\$4.7 M	\$4.8 M	\$5.8 M	\$6.3 M	\$6.0 M	\$5.9 M	\$5.2 M	\$4.6 M	\$4.2 M	\$4.7 M	\$5.0 M	\$4.9 M	\$5.2 M	\$0.5 M	\$0.0 M	0.9%
Miscellaneous Retailers	\$4.7 M	\$5.0 M	\$5.3 M	\$5.6 M	\$6.5 M	\$7.7 M	\$8.3 M	\$9.5 M	\$11.4 M	\$18.5 M	\$20.6 M	\$23.0 M	\$27.8 M	\$23.1 M	\$1.9 M	16.0%
Clothing and Accessories	\$3.4 M	\$3.2 M	\$3.0 M	\$3.0 M	\$4.0 M	\$4.0 M	\$4.2 M	\$4.3 M	\$3.2 M	\$4.4 M	\$5.0 M	\$5.1 M	\$5.8 M	\$2.4 M	\$0.2 M	4.5%
Pharmacy, Salon and Laundry	\$2.0 M	\$2.1 M	\$2.5 M	\$3.2 M	\$3.8 M	\$4.5 M	\$5.1 M	\$5.7 M	\$6.2 M	\$6.6 M	\$6.4 M	\$5.8 M	\$6.1 M	\$4.0 M	\$0.3 M	9.5%
Furniture and Home Furnishings	\$1.9 M	\$2.2 M	\$2.3 M	\$2.5 M	\$2.6 M	\$2.6 M	\$2.7 M	\$2.3 M	\$2.2 M	\$2.9 M	\$3.0 M	\$3.1 M	\$3.0 M	\$1.1 M	\$0.1 M	3.9%
<b>Retail Sales Tax Receipts</b>	<b>\$70.9 M</b>	<b>\$74.7 M</b>	<b>\$80.9 M</b>	<b>\$84.9 M</b>	<b>\$88.6 M</b>	<b>\$91.0 M</b>	<b>\$94.0 M</b>	<b>\$96.3 M</b>	<b>\$95.1 M</b>	<b>\$113.8 M</b>	<b>\$123.8 M</b>	<b>\$127.4 M</b>	<b>\$142.4 M</b>	<b>\$71.6 M</b>	<b>\$6.0 M</b>	<b>6.0%</b>
Percent of Total	80.3%	81.1%	81.0%	81.1%	81.1%	81.1%	80.8%	80.5%	82.2%	82.5%	82.2%	82.0%	81.6%			
Broadcasting and Telecommunications	\$4.6 M	\$4.2 M	\$4.3 M	\$4.4 M	\$4.8 M	\$4.7 M	\$5.0 M	\$4.9 M	\$3.9 M	\$4.0 M	\$3.9 M	\$3.6 M	\$3.7 M	-\$0.9 M	-\$0.1 M	-1.7%
Utilities	\$4.3 M	\$4.5 M	\$4.7 M	\$4.6 M	\$4.6 M	\$4.8 M	\$4.8 M	\$4.9 M	\$5.0 M	\$5.5 M	\$6.1 M	\$6.6 M	\$6.9 M	\$2.7 M	\$0.2 M	4.1%
Other	\$2.0 M	\$2.1 M	\$2.2 M	\$2.5 M	\$2.7 M	\$2.9 M	\$2.7 M	\$3.1 M	\$2.8 M	\$3.5 M	\$4.4 M	\$4.9 M	\$6.3 M	\$4.4 M	\$0.4 M	10.3%
Rental and Leasing Services	\$1.8 M	\$1.7 M	\$2.1 M	\$2.3 M	\$2.6 M	\$2.6 M	\$2.5 M	\$2.6 M	\$2.3 M	\$2.2 M	\$2.3 M	\$2.3 M	\$2.8 M	\$1.0 M	\$0.1 M	3.7%
Wholesale Trade	\$1.6 M	\$1.6 M	\$1.6 M	\$2.0 M	\$2.1 M	\$1.6 M	\$2.1 M	\$2.8 M	\$2.4 M	\$2.6 M	\$3.1 M	\$3.0 M	\$3.5 M	\$1.9 M	\$0.2 M	6.5%
Lodging	\$1.5 M	\$1.6 M	\$1.9 M	\$2.1 M	\$2.1 M	\$2.2 M	\$2.7 M	\$2.9 M	\$1.5 M	\$2.4 M	\$3.1 M	\$3.6 M	\$4.0 M	\$2.5 M	\$0.2 M	8.3%
Manufacturing	\$1.7 M	\$1.7 M	\$2.0 M	\$2.0 M	\$1.9 M	\$2.4 M	\$2.4 M	\$2.3 M	\$2.6 M	\$4.0 M	\$3.8 M	\$4.0 M	\$4.9 M	\$3.3 M	\$0.3 M	9.5%
<b>Non-Retail Tax Receipts</b>	<b>\$17.4 M</b>	<b>\$17.4 M</b>	<b>\$18.9 M</b>	<b>\$19.8 M</b>	<b>\$20.7 M</b>	<b>\$21.1 M</b>	<b>\$22.3 M</b>	<b>\$23.4 M</b>	<b>\$20.6 M</b>	<b>\$24.1 M</b>	<b>\$26.8 M</b>	<b>\$28.0 M</b>	<b>\$32.2 M</b>	<b>\$14.8 M</b>	<b>\$1.2 M</b>	<b>5.2%</b>
Percent of Total	19.7%	18.9%	19.0%	18.9%	18.9%	18.9%	19.2%	19.5%	17.8%	17.5%	17.8%	18.0%	18.4%			
<b>Total Sales Tax Receipts</b>	<b>\$88.3 M</b>	<b>\$92.1 M</b>	<b>\$99.8 M</b>	<b>\$104.7 M</b>	<b>\$109.3 M</b>	<b>\$112.1 M</b>	<b>\$116.3 M</b>	<b>\$119.7 M</b>	<b>\$115.7 M</b>	<b>\$137.9 M</b>	<b>\$150.5 M</b>	<b>\$155.4 M</b>	<b>\$174.6 M</b>	<b>\$86.3 M</b>	<b>\$7.2 M</b>	<b>5.8%</b>

Source: City of Fort Collins; Economic &amp; Planning Systems

When grouping store sales categories into four major categories (Convenience Goods, Shoppers' Goods, Food and Beverage, and Auto/Building), the overall growth trend from 2012 to 2024 shows that Shoppers' Goods have not kept pace with the other three major categories in Fort Collins (Figure 8). From 2012 to 2024, the net growth in Shoppers' Goods was 41 percent, compared to 83 percent for Auto/Building, 89 percent for Convenience, and 109 percent for Food and Beverage.

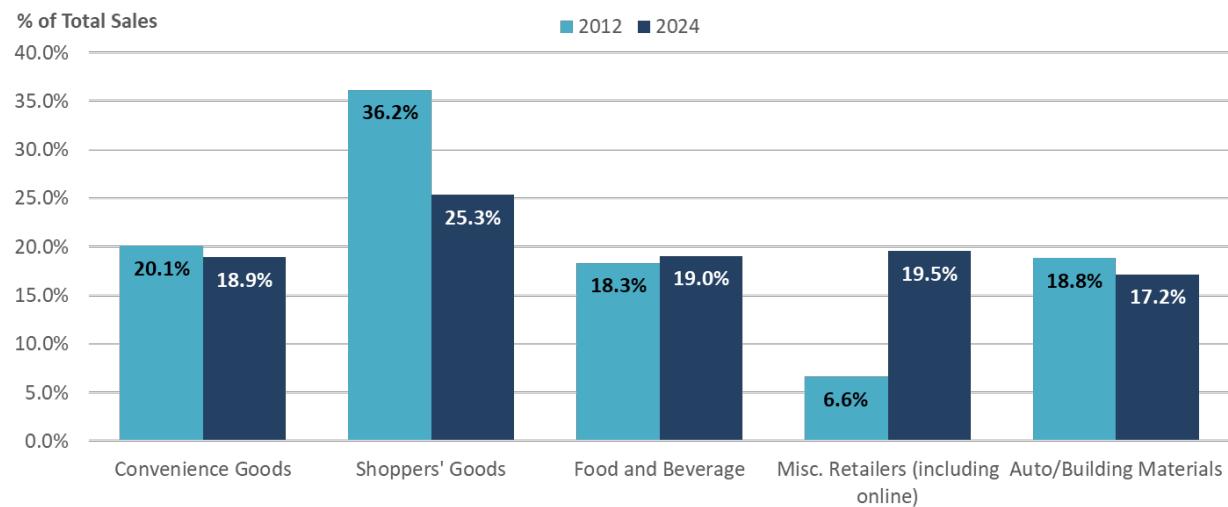
**Figure 8. Change in Retail Sales for Select Industries, 2012 to 2024**



Source: City of Fort Collins; Economic & Planning Systems

This trend is also evident when comparing each category's share of total shares between 2012 and 2024. Shoppers' Goods total share of sales in Fort Collins decreased from 36.2 percent in 2012 to 25.3 percent in 2024 (Figure 9). During the same period, Miscellaneous Retailers (including most online sales) saw its share increase from 6.6 percent to 19.5 percent of total sales. The only other major category with an increase was Food and Beverage, which increased from 18.3 percent to 19.0 percent.

**Figure 9. Change in Retail Sales by Category, 2012 to 2024**



Source: City of Fort Collins; Economic & Planning Systems

### **E-Commerce**

Since online sales tax collected started in late 2020, e-commerce increased its share of retail sales tax receipts to an estimated 7.8 percent in 2024 (Table 10). This estimate was created by normalizing the growth rate of miscellaneous retailers since 2020. Prior to 2020, online sales tax was not collected by Fort Collins. In 2024, e-commerce accounted for \$13.6 million of total sales tax receipts.

**Table 10. Fort Collins E-Commerce Trends, 2012 to 2024**

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2012-2024			
														Total	Ann. #	Ann. %	
<b>Actual Sales Tax Receipts</b>																	
Miscellaneous Retailers	\$4.7 M	\$5.0 M	\$5.3 M	\$5.6 M	\$6.5 M	\$7.7 M	\$8.3 M	\$9.5 M	\$11.4 M	\$18.5 M	\$20.6 M	\$23.0 M	\$27.8 M	\$23.1 M	\$1.9 M	16.0%	
Brick and Mortar Sales	\$83.6 M	\$87.1 M	\$94.5 M	\$99.1 M	\$102.8 M	\$104.4 M	\$108.0 M	\$110.2 M	\$104.3 M	\$119.4 M	\$129.9 M	\$132.4 M	\$146.8 M	\$63.2 M	\$5.3 M	4.8%	
<b>Total</b>	<b>\$88.3 M</b>	<b>\$92.1 M</b>	<b>\$99.8 M</b>	<b>\$104.7 M</b>	<b>\$109.3 M</b>	<b>\$112.1 M</b>	<b>\$116.3 M</b>	<b>\$119.7 M</b>	<b>\$115.7 M</b>	<b>\$137.9 M</b>	<b>\$150.5 M</b>	<b>\$155.4 M</b>	<b>\$174.6 M</b>	<b>\$86.3 M</b>	<b>\$7.2 M</b>	<b>5.8%</b>	
<b>Estimated Sales Tax Receipts</b>																	
Miscellaneous Retailers	\$4.7 M	\$5.0 M	\$5.3 M	\$5.6 M	\$6.5 M	\$7.7 M	\$8.3 M	\$9.5 M	\$11.4 M	\$12.0 M	\$12.7 M	\$13.5 M	\$14.2 M	\$9.6 M	\$0.8 M	9.7%	
E-Commerce	--	--	--	--	--	--	--	--	--	--	\$6.5 M	\$7.9 M	\$9.5 M	\$13.6 M	--	--	--
Brick and Mortar Sales	\$83.6 M	\$87.1 M	\$94.5 M	\$99.1 M	\$102.8 M	\$104.4 M	\$108.0 M	\$110.2 M	\$104.3 M	\$119.4 M	\$129.9 M	\$132.4 M	\$146.8 M	\$63.2 M	\$5.3 M	4.8%	
<b>Total</b>	<b>\$88.3 M</b>	<b>\$92.1 M</b>	<b>\$99.8 M</b>	<b>\$104.7 M</b>	<b>\$109.3 M</b>	<b>\$112.1 M</b>	<b>\$116.3 M</b>	<b>\$119.7 M</b>	<b>\$115.7 M</b>	<b>\$137.9 M</b>	<b>\$150.5 M</b>	<b>\$155.4 M</b>	<b>\$174.6 M</b>	<b>\$86.3 M</b>	<b>\$7.2 M</b>	<b>5.8%</b>	
<b>Percent of Total</b>																	
Miscellaneous Retailers	5.3%	5.4%	5.3%	5.4%	5.9%	6.9%	7.2%	8.0%	9.8%	8.7%	8.4%	8.7%	8.2%				
E-Commerce	--	--	--	--	--	--	--	--	--	4.7%	5.3%	6.1%	7.8%				
Brick and Mortar Sales	94.7%	94.6%	94.7%	94.6%	94.1%	93.1%	92.8%	92.0%	90.2%	86.6%	86.3%	85.2%	84.1%				
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>				

Note: Wayfair decision lead to collection of E-Commerce sales tax starting in mid-2020. Data is excluded for modeling purposes.

Source: City of Fort Collins; Economic & Planning Systems

## Findings

The retail sector grew at a relatively healthy 6.0 percent over the last 12 years and continues to be the primary source of sales tax revenues for the City, accounting for 81.6 percent of total sales taxes in 2024 and 83 percent of the increase in sales taxes over the 2010-2024 time period. Similar to national trends, e-commerce is having an impact on retail sales locally. Based on EPS's estimates, e-commerce accounts for an estimated 7.8 percent of total retail sales, which is below national and state averages in the 12 to 14 percent range (from other data sources and therefore not directly comparable). However, since the Wayfair court decision, the City has been able to capture the associated sales tax revenues from online sales thereby largely mitigating its impact on the City's budget.

There have been greater impacts on the performance of bricks and mortar stores in the city, due to e-commerce, as well as due to the growth of competitive retail outside of the city. Total retail sales grew at an average of 6.0 percent per year over the 2010-2024 time period. By sector, Miscellaneous Retail (including online retailers) grew at a 16 percent annual growth rate. The largest impacts have been in the Shoppers' Good grouping, with General Merchandise at 3.8 percent, Clothing and Apparel at 4.5 percent, Sporting Goods, Hobby and Books and Music at 0.9 percent; and Electronics and Appliances at 0.9 percent. The slowdown in Shoppers' Goods store category is indicative of the city's declining dominance as a regional trade center.

The next chapter of the report provides a forecast of household and retail spending growth in the Trade Area and city to identify opportunities for additional retail development and targeted retail attraction.

## 4. Retail Demand Forecasts

This chapter provides EPS's estimates of retail expenditure potential associated with the forecasted growth in city and Trade Area households over the next 10 years. This spending potential is converted to estimates of supportable retail space by store category along with estimates of potential capture rates that the City of Fort Collins may be able to achieve.

### Expenditure Potentials

Retail spending potential is based on the growth in households and personal income and the portion of income spent in retail stores. The Trade Area is projected to grow by 13,500 households by 2034. In 2024, the average household income in the Trade Area was \$125,497. The total personal income (TPI) of the Trade Area is the number of new households multiplied by the average household income, which equals approximately \$13.2 billion in TPI by 2034, as shown in **Table 11**. Note that the use of constant dollars assumes there will be incremental growth in TPI that is commensurate with the growth in the cost of goods. By holding both values constant, the projection provides a realistic future demand estimate.

**Table 11. Trade Area Total Personal Income (TPI), 2024 to 2034**

Description	2024	2034	2024-2034		
			Total	Ann. #	Ann. %
<b>Trade Area</b>					
Households	91,478	104,978	13,500	1,350	1.4%
Avg. Household Income	\$125,497	\$125,497	=	=	=
<b>Total Personal Income</b>	<b>\$11,480,214,566</b>	<b>\$13,174,424,066</b>	<b>\$1,694,209,500</b>	<b>\$169,420,950</b>	<b>1.4%</b>

Source: U.S. Census Bureau; ESRI Business Analyst; Economic & Planning Systems

The average Colorado household spends 30.0 percent of its income on retail goods according to data from the Census of Retail Trade, as shown in **Table 12**. By 2034, the growth in retail spending reflecting this household growth is estimated to be \$507.6 million. This retail expenditure figure includes a range of retail store categories and accounts for spending that occurs at both stores in the Trade Area as well as stores located elsewhere in the region, as well as online purchases.

**Table 12. Trade Area Expenditure Potential, 2024 to 2034**

Store Type	Retail Sales % TPI (2024)	2024 (\$000s)	2034 (\$000s)	2024-2034 (\$000s)
<b>Total Personal Income (TPI)</b>	<b>100%</b>	<b>\$11,480,215</b>	<b>\$13,174,424</b>	<b>\$1,694,210</b>
<b>Convenience Goods</b>				
Supermarkets and Other Grocery Stores	6.2%	\$710,081	\$814,872	\$104,791
Convenience Stores (incl. Gas Stations)	1.4%	\$164,632	\$188,928	\$24,296
Beer, Wine, & Liquor Stores	0.9%	\$102,179	\$117,258	\$15,079
Health and Personal Care	<u>1.2%</u>	<u>\$137,879</u>	<u>\$158,227</u>	<u>\$20,348</u>
<b>Total Convenience Goods</b>	<b>9.7%</b>	<b>\$1,114,771</b>	<b>\$1,279,285</b>	<b>\$164,514</b>
<b>Shopper's Goods</b>				
<b>General Merchandise</b>				
Traditional Department Stores	0.2%	\$22,593	\$25,927	\$3,334
Warehouse Clubs and Supercenters	5.1%	\$584,539	\$670,803	\$86,264
Other General Merchandise	<u>0.5%</u>	<u>\$57,392</u>	<u>\$65,862</u>	<u>\$8,470</u>
<b>Subtotal</b>	<b>5.8%</b>	<b>\$664,524</b>	<b>\$762,592</b>	<b>\$98,068</b>
<b>Other Shopper's Goods</b>				
Clothing & Accessories	1.5%	\$169,836	\$194,900	\$25,064
Furniture & Home Furnishings	0.9%	\$101,437	\$116,407	\$14,970
Electronics & Appliances	0.4%	\$49,053	\$56,292	\$7,239
Sporting Goods, Hobby, Book, Music Stores & Misc Retail	<u>1.7%</u>	<u>\$195,967</u>	<u>\$224,887</u>	<u>\$28,920</u>
<b>Subtotal</b>	<b>4.5%</b>	<b>\$516,294</b>	<b>\$592,487</b>	<b>\$76,193</b>
<b>Total Shopper's Goods</b>	<b>10.3%</b>	<b>\$1,180,817</b>	<b>\$1,355,078</b>	<b>\$174,261</b>
<b>Eating and Drinking</b>	<b>6.4%</b>	<b>\$735,778</b>	<b>\$844,362</b>	<b>\$108,584</b>
<b>Building Material &amp; Garden</b>	<b>3.6%</b>	<b>\$408,069</b>	<b>\$468,291</b>	<b>\$60,221</b>
<b>Total Retail Goods</b>	<b>30.0%</b>	<b>\$3,439,436</b>	<b>\$3,947,015</b>	<b>\$507,580</b>

Source: 2022 Census of Retail Trade; Economic & Planning Systems

## Supportable Retail Space

This growth in potential retail sales is translated into demand for retail space using average annual sales per square foot by store category. Based on the average sales per square foot for these retail uses, there is demand for approximately 1.0 million square feet of retail space in the Trade Area over the 2024 to 2034 period, as shown below in **Table 13**.

Of this demand, it is anticipated that the Trade Area would capture approximately 774,000 square feet of new retail space with 240,800 square feet for convenience goods, 175,700 square feet for shoppers' goods, 216,800 square feet for restaurants, and 140,700 square feet for home and garden. Based on anticipated future capture, Fort Collins would account for 404,600 square feet of the Trade Area's 774,000 square feet of demand, or 52.3 percent.

**Table 13. Trade Area Supportable Retail Space, 2024 to 2034**

Store Type	Avg. Sales Per Sq. Ft.	Supportable Space 2024	Supportable Space 2034	New Demand 2024-2034	Trade Area Capture Percentage	Trade Area New Demand 2024-2034	Fort Collins Capture Percentage	Fort Collins New Demand 2024-2034
<b>Convenience Goods</b>								
Supermarkets and Other Grocery Stores	\$650	1,092,000	1,254,000	161,000	80.0%	128,800	50.0%	64,400
Convenience Stores (incl. Gas Stations)	\$400	412,000	472,000	61,000	80.0%	48,800	50.0%	24,400
Beer, Wine, & Liquor Stores	\$400	255,000	293,000	38,000	80.0%	30,400	50.0%	15,200
Health and Personal Care	\$500	276,000	316,000	41,000	80.0%	32,800	50.0%	16,400
<b>Total Convenience Goods</b>	<b>\$500</b>	<b>2,035,000</b>	<b>2,335,000</b>	<b>301,000</b>	<b>80.0%</b>	<b>240,800</b>	<b>50.0%</b>	<b>120,400</b>
<b>Shopper's Goods</b>								
General Merchandise								
Traditional Department Stores	\$300	75,000	86,000	11,000	70.0%	7,700	60.0%	4,600
Warehouse Clubs, Supercenters, and Other	\$750	77,000	88,000	11,000	70.0%	7,700	60.0%	4,600
<b>Subtotal</b>		<b>152,000</b>	<b>174,000</b>	<b>22,000</b>	<b>70.0%</b>	<b>15,400</b>	<b>60.0%</b>	<b>9,200</b>
<b>Other Shopper's Goods</b>								
Clothing & Accessories	\$350	485,000	557,000	72,000	70.0%	50,400	60.0%	30,200
Furniture & Home Furnishings	\$250	406,000	466,000	60,000	70.0%	42,000	60.0%	25,200
Electronics & Appliances	\$500	98,000	113,000	14,000	70.0%	9,800	60.0%	5,900
Sporting Goods, Hobby, Book, Music Stores & Misc Retail	\$350	560,000	643,000	83,000	70.0%	58,100	60.0%	34,900
<b>Subtotal</b>		<b>1,549,000</b>	<b>1,779,000</b>	<b>229,000</b>	<b>70.0%</b>	<b>160,300</b>	<b>60.0%</b>	<b>96,200</b>
<b>Total Shopper's Goods</b>	<b>\$400</b>	<b>1,701,000</b>	<b>1,953,000</b>	<b>251,000</b>	<b>70.0%</b>	<b>175,700</b>	<b>60.0%</b>	<b>105,400</b>
<b>Eating and Drinking</b>	<b>\$400</b>	<b>1,839,000</b>	<b>2,111,000</b>	<b>271,000</b>	<b>80.0%</b>	<b>216,800</b>	<b>50.0%</b>	<b>108,400</b>
<b>Building Material &amp; Garden</b>	<b>\$300</b>	<b>1,360,000</b>	<b>1,561,000</b>	<b>201,000</b>	<b>70.0%</b>	<b>140,700</b>	<b>50.0%</b>	<b>70,400</b>
<b>Total Retail Goods</b>		<b>6,935,000</b>	<b>7,960,000</b>	<b>1,024,000</b>		<b>774,000</b>		<b>404,600</b>

Source: 2022 Census of Retail Trade; Economic & Planning Systems

## Fort Collins Expenditure Potential and Sales Flow

The average Colorado household spends 30.0 percent of its income in retail stores (including on-line sales) according to data from the Census of Retail Trade, as shown in **Table 14**. By 2034, the growth in retail expenditures reflecting household growth in Fort Collins, is estimated to be \$218.3 million, which accounts for 43.0 percent of the total growth in the Trade Area. This retail expenditure figure includes a range of retail categories and accounts for spending that occurs at both stores in the Trade Area as well as stores located elsewhere in the region and online purchases.

**Table 14. Fort Collins Expenditure Potential, 2024 to 2034**

Store Type	Retail Sales % TPI (2024)	2024 (\$000s)	2034 (\$000s)	2024-2034 (\$000s)
<b>Total Personal Income (TPI)</b>	<b>100%</b>	<b>\$8,079,932</b>	<b>\$8,808,809</b>	<b>\$728,876</b>
<b>Convenience Goods</b>				
Supermarkets and Other Grocery Stores	6.2%	\$499,764	\$544,847	\$45,083
Convenience Stores (incl. Gas Stations)	1.4%	\$115,870	\$126,323	\$10,452
Beer, Wine, & Liquor Stores	0.9%	\$71,915	\$78,402	\$6,487
Health and Personal Care	<u>1.2%</u>	<u>\$97,041</u>	<u>\$105,795</u>	<u>\$8,754</u>
<b>Total Convenience Goods</b>	<b>9.7%</b>	<b>\$784,591</b>	<b>\$855,367</b>	<b>\$70,777</b>
<b>Shopper's Goods</b>				
<b>General Merchandise</b>				
Traditional Department Stores	0.2%	\$15,901	\$17,336	\$1,434
Warehouse Clubs and Supercenters	5.1%	\$411,406	\$448,518	\$37,112
Other General Merchandise	<u>0.5%</u>	<u>\$40,393</u>	<u>\$44,037</u>	<u>\$3,644</u>
<b>Subtotal</b>	<b>5.8%</b>	<b>\$467,701</b>	<b>\$509,891</b>	<b>\$42,190</b>
<b>Other Shopper's Goods</b>				
Clothing & Accessories	1.5%	\$119,533	\$130,316	\$10,783
Furniture & Home Furnishings	0.9%	\$71,393	\$77,833	\$6,440
Electronics & Appliances	0.4%	\$34,524	\$37,639	\$3,114
Sporting Goods, Hobby, Book, Music Stores & Misc Retail	<u>1.7%</u>	<u>\$137,924</u>	<u>\$150,366</u>	<u>\$12,442</u>
<b>Subtotal</b>	<b>4.5%</b>	<b>\$363,375</b>	<b>\$396,154</b>	<b>\$32,779</b>
<b>Total Shopper's Goods</b>	<b>10.3%</b>	<b>\$831,076</b>	<b>\$906,045</b>	<b>\$74,970</b>
<b>Eating and Drinking</b>	<b>6.4%</b>	<b>\$517,851</b>	<b>\$564,565</b>	<b>\$46,714</b>
<b>Building Material &amp; Garden</b>	<b>3.6%</b>	<b>\$287,205</b>	<b>\$313,113</b>	<b>\$25,908</b>
<b>Total Retail Goods</b>	<b>30.0%</b>	<b>\$2,420,722</b>	<b>\$2,639,091</b>	<b>\$218,369</b>

Source: 2022 Census of Retail Trade; Economic & Planning Systems

Based on 2024 retail sales and Fort Collins expenditure potential, a sales flow model was developed to show the total estimated sales within the City of Fort Collins and its associated leakage to stores outside of the City. Fort Collins stores are estimated to capture approximately 73.0 percent of all retail sales from its residents (**Table 15**). Residents are therefore estimated to spend approximately 27 percent of their spending outside of the City as outflow or leakage. The greatest leakage is in General Merchandise and other shoppers goods which is estimated at 30 to 40 percent by store category as shown.

The portion of existing store sales not accounted for by residents is due to inflow from residents of the larger area as well as visitors. Total inflow is estimated at 29 percent of total store sales with the highest figures in the Other Shoppers Goods store categories found at regional shopping locations (Downtown, Foothills Mall, and Front Range Village).

**Table 15. Fort Collins Retail Sales Flow, 2024**

Store Type	2024 Retail Sales (\$000s)	Fort Collins 2024					Estimated Leakage (\$000s)
		Exp. Potential (\$000s)	Capture %	Est. Sales (\$000s)	% of Sales		
<b>Total Personal Income (TPI)</b>		<b>\$8,079,932</b>					
<b>Convenience Goods</b>							
Food and Beverage Stores, Gas Stations	\$646,765	\$687,550	80%	\$550,040	85%		\$137,510
Health and Personal Care	<u>\$120,753</u>	<u>\$97,041</u>	80%	<u>\$77,633</u>	64%		<u>\$19,408</u>
<b>Subtotal</b>	<b>\$767,518</b>	<b>\$784,591</b>		<b>\$627,673</b>	82%		<b>\$156,918</b>
<b>Shoppers' Goods</b>							
General Merchandise	<u>\$379,619</u>	<u>\$467,701</u>	60%	<u>\$280,621</u>	74%		<u>\$187,080</u>
<b>Subtotal</b>	<b>\$379,619</b>	<b>\$467,701</b>		<b>\$280,621</b>	74%		<b>\$187,080</b>
<b>Other Shoppers' Goods</b>							
Clothing & Accessories	\$120,249	\$119,533	70%	\$83,673	70%		\$35,860
Furniture & Home Furnishings	\$59,621	\$71,393	70%	\$49,975	84%		\$21,418
Electronics & Appliances	\$111,999	\$34,524	70%	\$24,167	22%		\$10,357
Sporting Goods, Hobby, Book, Music Stores & Misc Retail	<u>\$257,499</u>	<u>\$137,924</u>	70%	<u>\$96,547</u>	37%		<u>\$41,377</u>
<b>Subtotal</b>	<b>\$549,369</b>	<b>\$363,375</b>		<b>\$254,362</b>	46%		<b>\$109,012</b>
<b>Total Shoppers' Goods</b>	<b>\$928,987</b>	<b>\$831,076</b>	64%	<b>\$534,983</b>	58%		<b>\$296,093</b>
<b>Eating and Drinking</b>	<b>\$575,077</b>	<b>\$517,851</b>	80%	<b>\$414,281</b>	72%		<b>\$103,570</b>
<b>Building Material &amp; Garden</b>	<b>\$240,516</b>	<b>\$287,205</b>	70%	<b>\$201,043</b>	84%		<b>\$86,161</b>
<b>Total Retail Goods</b>	<b>\$2,512,097</b>	<b>\$2,420,722</b>	73%	<b>\$1,777,979</b>	71%		<b>\$642,742</b>

Source: 2022 Census of Retail Trade: City of Fort Collins; Economic & Planning Systems

## Findings

The Trade Area is still growing with an estimated 13,500 new households over the next 10 years accounting for an increase in \$504.6 million in additional annual retail expenditures. The question is where is this growth occurring and what opportunities does the City have for capturing this growth? Based on residential growth patterns and trends, EPS estimates that approximately \$218.4 million, or 43 percent of this growth will be from Fort Collins residents, primarily in the northeast quadrant of the City. This expenditure growth will support an estimated 404,600 square feet of net new retail space. Some of the additional retail spending will occur in existing stores, but it is a net new amount that will also create opportunities for new stores and centers.

The next chapter of the report will evaluate existing retail centers and nodes in the City, classifying locations by type and performance characteristics. This analysis will also provide a basis for identifying opportunities for new retail locations as well as needs for addressing underperforming centers.

## 5. Commercial Nodes Conditions Analysis

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The existing and future concentrations of retail areas in the city serve different functions and customer bases. To develop strategies for the different types of retail areas, a hierarchy of commercial nodes and centers was established. The existing conditions in different areas of the city were assessed to understand opportunities and challenges and the related strategies needed to address different areas of the city.

### Nodes and Center Types

Three retail area types or groups were identified in the analysis. These areas encompass the vast majority of retail properties in the city. The three area categories are defined below and shown in **Figure 10**.

- **Regional Nodes** – Regional Nodes are larger concentrations of regionally oriented shopping centers (e.g. malls, power centers, etc..), retailers, and associated smaller retail and commercial service businesses. These areas draw customers from a large geography generally inclusive of the areas within 5 miles and/or attract customers citywide or from outside the city. These areas include the major destination retailers and entertainment venues. They are in places that are the best connected via transportation routes (e.g. major arterial roads, highways, transit routes) and have greater density and diversity of uses.

Regional Nodes are important parts of the overall fiscal health of the community as they are the location of the major retail sales tax generators in the community. Regional Nodes serve as location for businesses of all types, not just retail. Regional Nodes provide residents with the major retail and entertainment destinations they want to access without having to leave the community.

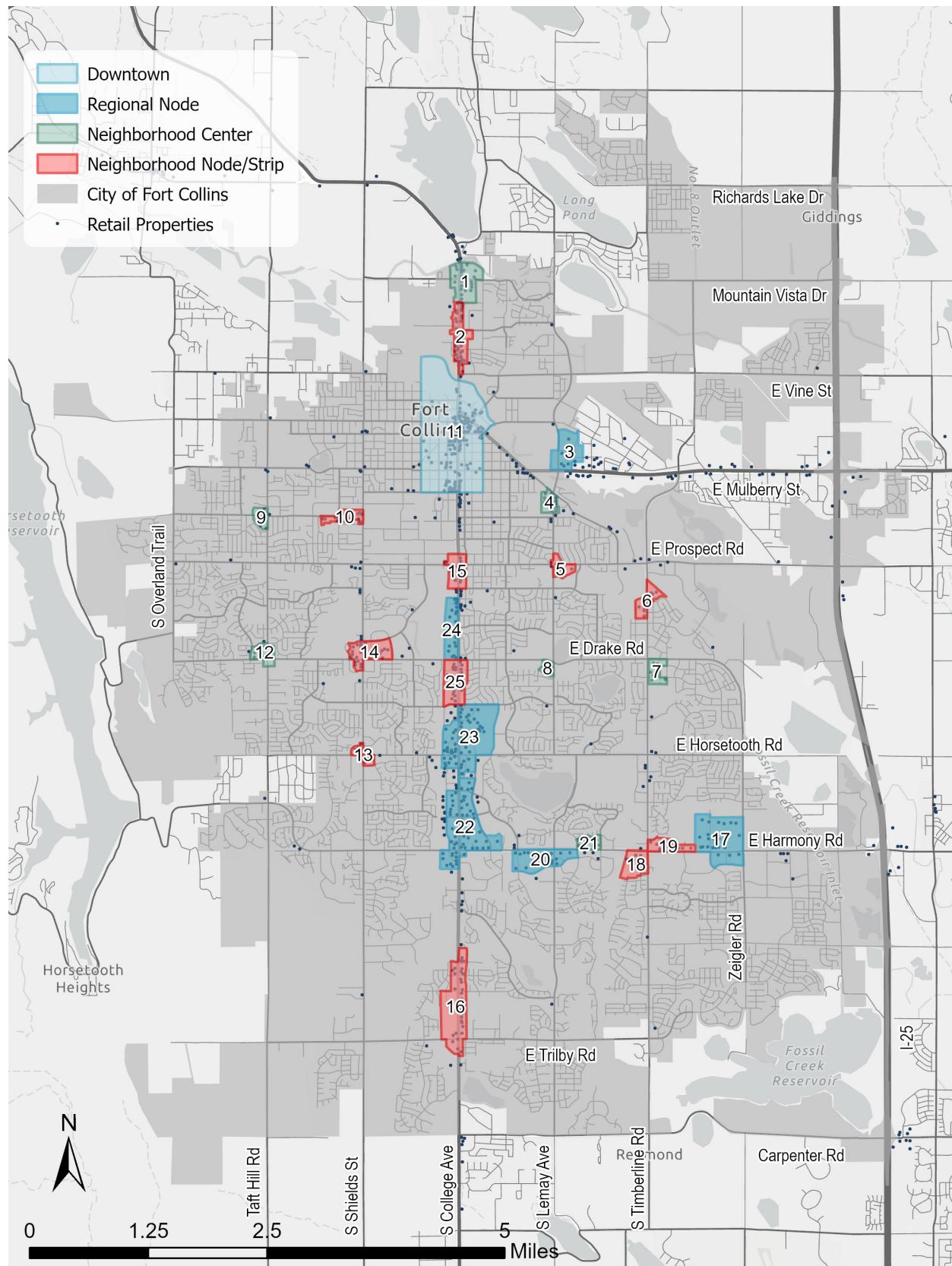
- **Neighborhood Centers** – Neighborhood Centers are concentrations of retailers and retail centers that serve a more localized Trade Area that is approximately a 2-mile radius in size or smaller, have a greater concentration of retailers and businesses that serve everyday needs of the surrounding residential areas, and are anchored by a primary retail destination, which most often is a grocery store, that draws the majority of visitors/shoppers.

Neighborhood Centers are a major component to supporting 15-minute neighborhoods within the City. These centers are the centralized concentrations of retail goods and services that residents need access to and are more stable/strong due to the presence of the primary anchor use(s), as the shoppers and traffic driven by the anchor businesses help support visitation and awareness of smaller businesses needed to support resident needs. These

centers are generally more easily accessible and more retail goods and services oriented than Regional Centers but can also provide entertainment options.

- **Neighborhood Strips/Centers** – Neighborhood Strips/Centers are areas that have a concentration of retail uses in smaller retail centers and stand-alone parcels that serve a smaller, neighborhood trade area (1 to 2 mile radius) but are not part of a larger regional node or an area with a larger anchor (i.e. grocery store).

These Strips/Centers help contribute to increased access to goods and services for residents, provide opportunities for place making, and address market niches that cannot be served by larger centers and nodes. However, these areas are more vulnerable to economic and market conditions, shifts in retail tenants/uses, and locate in a greater diversity of building types and configurations.

**Figure 10. Retail Area Types**

## Regional Nodes Conditions

Seven Regional Nodes have been defined in the City ranging in amount of retail space from 344,000 to 1.5 million square feet. Downtown Fort Collins is included as one of the seven Regional Nodes but is a unique area. These Regional Nodes are the strongest retail areas in the City and the places most likely to attract retail businesses that have a citywide or larger appeal/draw. The average rental rates are mostly \$20 per square foot or more, as shown in **Table 16**. The Regional Nodes largely have a low vacancy rate, with two exceptions, below 5 percent indicating continued demand and no major vacant spaces/boxes.

The two centers that have higher vacancy are the University Plaza area, which has a major vacancy due to the development of a new King Soopers Marketplace and the vacation of the old King Soopers, and Front Range Village. Front Range Village has more than one large vacancy including a vacant box store (former Sports Authority), a vacant stand-alone pad building (former health club), and vacant second floor office space. These vacancies should be monitored to see if the center struggles with refilling spaces/chronic vacancy.

**Table 16. Regional Nodes Conditions**

Description	Major Anchors	Retail Space (Sq. Ft.)	Weighted Vacancy Rate (%)	Vacant Space (Sq. Ft.)	Average Vacancy Size (Average)	Year Built (Average)	Rental Rate (Average)
<b>Regional Nodes</b>							
Mulberry and Lemay Crossings	Walmart Supercenter/Home Depot	344,335	3.0%	10,500	5,250	2003	\$32.19
Front Range Village	Target/Lowe's/Sprout's	904,844	13.9%	126,026	18,004	2010	\$22.26
Harmony and Lemay	Sam's Club	442,174	2.1%	9,335	3,112	1998	\$25.88
Harmony Marketplace Area	Walmart Supercenter/Target/King Soopers	1,469,769	3.1%	45,167	5,646	1993	\$25.74
Foothills Mall Area	Dick's Sporting Goods/H&M/Trader Joe's	1,217,001	2.6%	31,361	5,227	1994	\$19.88
University Plaza	Whole Foods/King Soopers Marketplace	445,537	17.0%	75,634	75,634	1979	ND
<b>Average</b>		<b>803,943</b>	<b>7.0%</b>	<b>49,671</b>	<b>18,812</b>	<b>1995</b>	<b>\$24.06</b>
<b>Downtown</b>							
Downtown Fort Collins	Downtown	1,319,165	5.4%	70,599	3,530	1934	\$25.85

Note: "ND" indicates data is not disclosed.

Source: City of Fort Collins; CoStar; Larimer County Assessor; Economic & Planning Systems

## Neighborhood Centers and Nodes

The other retail areas identified, outside the Regional Nodes, are oriented towards their surrounding neighborhoods.

### Neighborhood Centers

Seven Neighborhood Centers were defined in this effort. These seven areas are all anchored by primary grocery store anchor and fall outside of Regional Nodes. The average size of these centers ranges from 89,000 square feet to 300,000 square feet in terms of retail and commercial square footage. The vacancy rates in these centers are also very low with all but one having vacancy rates of 5 percent or below, as shown in **Table 17**. The one exception is the North College Marketplace area which has a vacant former Albertsons grocery store that has been vacant for several years. The City and Urban Renewal Authority have recently purchased this building to create a community service hub. The average rental rates are lower than found in the Regional Nodes, with an average of \$18 per square foot.

**Table 17. Neighborhood Centers Conditions**

Description	Major Anchors	Retail Space (Sq. Ft.)	Weighted Vacancy Rate (%)	Vacant Space (Sq. Ft.)	Average Vacancy Size	Year Built (Average)	Rental Rate (Average)
<b>Neighborhood Centers</b>							
North College Marketplace	King Soopers Marketplace	307,156	17.1%	52,505	26,253	1999	\$16.00
Riverside Shopping Center	Safeway	123,752	1.2%	1,500	1,500	1988	\$19.00
Shops at Rigden Farm	King Soopers	126,353	1.4%	1,772	1,772	2007	ND
Scotch Pines Village	Sprouts Farmers Market	88,941	2.7%	2,417	2,417	1980	\$19.00
Taft and Elizabeth	King Soopers	119,086	5.1%	6,100	6,100	1982	ND
Drake Crossing	Safeway	129,613	1.9%	2,400	2,400	1991	\$16.00
Harmony Market Center	<u>Safeway</u>	<u>123,265</u>	<u>3.2%</u>	<u>3,993</u>	<u>3,993</u>	<u>2000</u>	<u>\$19.48</u>
<b>Average</b>		<b>145,452</b>	<b>4.7%</b>	<b>10,098</b>	<b>6,348</b>	<b>1995</b>	<b>\$17.90</b>

Note: "ND" indicates data is not disclosed.

Source: City of Fort Collins; CoStar; Larimer County Assessor; Economic & Planning Systems

### Neighborhood Strips/Nodes

Eleven Neighborhood Strips/Nodes were defined in the city. These locations contain varying amounts of commercial space and lack a major anchor retailer. Some contain a cluster of neighborhood-oriented stores and restaurants, while others contain disparate mix of businesses with little in common other than the availability of commercial space for lease. Vacancy rates tend to vary more in neighborhood strips with some areas over 10 percent, but average 7.2 percent overall, as shown in **Table 18**. The average rental rates also vary depending on area but are more often lower than the Neighborhood Centers and Regional Nodes.

**Table 18. Neighborhood Strips/Nodes Conditions**

Description	Retail Space (Sq. Ft.)	Weighted Vacancy Rate (%)	Vacant Space (Sq. Ft.)	Average Size Vacancies	Total Large Year Built (Average)	Rental Rate (Average)
<b>Neighborhood Node/Strip</b>						
North College	250,609	2.8%	7,135	7,135	0	1965
Park Central (Prospect/Lemay)	98,040	5.0%	4,948	4,948	0	1978
Jessup Farm	106,350	1.5%	1,580	1,580	0	1997
W Elizabeth Street	199,620	6.7%	13,300	2,660	0	1983
Poudre Valley Plaza (Horsetooth/Shields	52,764	21.5%	11,320	11,320	0	1996
Drake Center	325,617	2.5%	8,225	2,056	0	1994
Prospect and College	177,208	0.0%	0	--	0	1962
South College	273,604	3.0%	8,080	2,693	0	1982
Timberline and Harmony	229,250	11.0%	25,228	25,228	1	1998
Harmony School Shops	149,933	16.8%	25,225	12,613	1	2008
Midtown College	<u>368,365</u>	<u>6.4%</u>	<u>23,749</u>	<u>11.875</u>	<u>1</u>	<u>1977</u>
<b>Average</b>	<b>202,851</b>	<b>7.0%</b>	<b>11,708</b>	<b>8,211</b>	<b>1981</b>	<b>\$17.74</b>

Note: "ND" indicates data is not disclosed.

Source: City of Fort Collins; CoStar; Larimer County Assessor; Economic & Planning Systems

## Land Use Regulatory Conditions

The City of Fort Collins' land use framework envisions many areas to have or allow for a mixture of uses including retail. Also, the City Council's goal of creating a 15-minute city where everyday goods and services can be accessed by residents in a 15-minute travel shed also encourages greater integration of uses. The regulatory environment (i.e., zoning) is largely permissive for retail and commercial uses as a reflection.

The City currently has five primary zone districts that regulate retail and commercial development. The five commercial zone districts, shown in **Figure 11**, all provide an intent statement that illustrates the vision for the district in terms of retail role/focus, mix of uses, size, and scale. However, the regulatory constraints, allowable densities and residential use allowances are all relatively the same. All districts allow for residential uses of at least three stories and variety of residential product types. While the intent statements provide direction on vision for the area, the actual regulations are likely not going to force/direct development to be built much differently. There may be benefits to reconfiguring/redesigning the commercial zone districts, given the relatively similar regulatory environment for retail in the city.

The one exception is the Harmony Road Corridor zone district that allows for significant commercial development mix and is the zoning that covers multiple Regional Nodes. However, this district was designed to support an employment and major commercial/retail use environment. It is the only commercial district that restricts residential significantly, as residential can only be built up to specified percentage of a parcel. This approach of restricting residential in higher value employment/commercial is typical in many communities.

**Figure 11. Fort Collins Commercial Zone Districts**

District	Intent	Residential Allowance
Neighborhood Commercial	Mixed-use commercial core area anchored by grocery store and a transit stop	<ul style="list-style-type: none"> <li>• <b>Types</b> - Mixed-use, Apartment, Rowhouse, Duplex</li> <li>• <b>Height</b> – Up to 4 stories</li> </ul>
Community Commercial	Mixed-use, higher density areas	<ul style="list-style-type: none"> <li>• <b>Types</b> - Mixed-use, Apartment, Rowhouse, Duplex</li> <li>• <b>Height</b> – Up to 4 stories</li> </ul>
General Commercial	Community and regional retail uses, office and service businesses.	<ul style="list-style-type: none"> <li>• <b>Types</b> - Mixed-use, Apartment, Row House, Duplex</li> <li>• <b>Height</b> – Up to 4 stories</li> </ul>
Service Commercial	High-traffic commercial corridors where a range uses is encouraged	<ul style="list-style-type: none"> <li>• <b>Types</b> - Mixed-use, Apartment, Row House, Duplex</li> <li>• <b>Height</b> – Up to 3 stories</li> </ul>
Limited Commercial	Existing, small commercial areas adjacent to residential neighborhoods	<ul style="list-style-type: none"> <li>• <b>Types</b> - Mixed-use, Apartment, Row House, Duplex</li> <li>• <b>Height</b> – Up to 3 stories</li> </ul>

## 6. Retail Strategy

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This chapter outlines recommended strategies to help implement the retail development potentials and needs identified in this report. This includes opportunities to regain or capture regional sales inflows; plan for new centers in underserved areas of the city; strengthen viable commercial centers and nodes; and reposition outmoded retail locations.

### Future Demand Opportunities

The Trade Area is forecast to grow by 13,500 households in the next 10 years, which will generate additional demand for \$218.4 million in retail spending in the Trade Area supporting an estimated 774,000 square feet of new retail space. The city has the potential to capture a significant portion of this retail growth, even if a large share of this housing growth in the Trade Area will be outside the city limits. The city continues to grow, albeit at a slower rate than in the past as its inventory of buildable lands is shrinking. Nevertheless, EPS estimates 43 percent of the growth in households in the Trade Area will be within the city, and an opportunity for at least a similar share of the commercial space (estimated at 405,000 square feet) to also be in the city, pending the availability and suitability of adequate sites.

EPS recommends the City should be proactive in trying to capture retail development driven by the housing growth that is going to occur in and around the edges of the city over the next 10 years. The three primary areas to focus efforts on attraction of new demand/sales are in existing centers (particularly Regional Nodes) in the city, a regional location along I-25 and in emerging Neighborhood Center locations. Strategies for each retail area type are provided in the next section, which will address supporting capture of new demand.

In addition, EPS recommends the City consider planning for a retail/commercial site(s) that can accommodate 150,000 to 200,000 square feet of retail development along the I-25 corridor to maximize opportunities for attracting highway adjacent retail uses and for capturing retail sales tax revenues from residents of the fast-growing suburbs to the east.

On a Neighborhood Center level, the majority of the projected growth is in the northeast quadrant of the city. EPS therefore supports the city's designation of two Neighborhood Centers to address estimated demand; one at Montava and one at Bloom/Peakview.

## Retail Areas Recommendations

The market position and viability of the city's retail centers and nodes is summarized below followed by recommendations for capitalizing on opportunities.

### Regional Nodes

Fort Collins continues to serve a regional Trade Area at the center of a growing metropolitan area, despite growing competition. It has a thriving downtown with a strong nucleus of retail, restaurant, and bars, as well as many cultural and entertainment attractions with a regional draw. However, outside of downtown, the regional draw of the city's retail centers and stores has diminished as the surrounding cities and towns have developed their own centers with major stores. In particular, Foothills Mall and Front Range Village have struggled with higher vacancies and below average sales levels. Other portions of the South College and Harmony Road regional nodes have fared better maintaining generally high occupancies and by evolving to stores supported primarily by the citywide market rather than relying on inflow from the larger Regional Trade Area. The strategies for addressing Regional Node were developed to focus on supporting the evolution and long-term health of existing centers.

#### *Attraction/Retention*

The Regional Nodes will be the locations where larger and destination retailers can be attracted to. The existing centers will continue to evolve; including some turnover of major retail spaces due in part to larger, national retail market trends and conditions outside of the City's control. Helping these center owners continue to attract and retain major retailers should be the focus. Tools to help these center owners reinvest in their centers and attract major tenants will aid in the continued health of the centers. Tracking of larger vacancies in the Regional Nodes will be a good indicator of the health of the centers.

#### *Land Use*

The Regional Nodes are the highest value and most important locations for the city from an economic and fiscal health perspective. Changes to land use regulations should be considered to ensure these areas are supported and not impacted by encroachment of other uses. Currently the Community Commercial and General Commercial districts are most prevalent for parcels in Regional Nodes. The density and built form are envisioned to differ in the two, however standards don't currently dictate much variation between them. Land use changes to consider are the following:

- Reorient a commercial zone district(s) to direct growth in regional nodes. General Commercial could be used for the majority of Regional Nodes except for Downtown and some portions of College Avenue that may be envisioned to be higher density.

- Consider the application of a regionally oriented zone district for Regional Nodes that is distinct from other retail areas. Utilize the application of the zone district to create greater geographic definition of nodes.
- Consider changes to zone district standards that focus on preservation of retail/commercial uses and opportunities by limiting non-supporting uses (i.e. residential). Consider utilization of maximum allowances for residential in the Regional Nodes like the approach used for the Harmony Corridor. Alternatively consider locational standards that allow residential infill on the edge of nodes or on parcels/portions of parcels with inferior access and orientation to major arterials or greater allowances for residential if commercial space is included in a vertical mixed-use building.

### ***Future Opportunities***

The demand analysis indicated there is potential to capture additional regionally oriented retailers in the city in desirable locations. In addition to the existing Regional Nodes, there may be potential for an additional node along I-25 that can directly compete for demand driven by growth on the edges of the city. The land around the Prospect and I-25 interchange is the best opportunity for a new node to form. The areas near the Mulberry interchange may be a longer-term opportunity if additional infill/redevelopment occurs along that corridor, and when residential development in the northeast portion of the city occurs.

### **Neighborhood Centers**

The supermarket anchored neighborhood centers in the city are generally viable with low vacancies. The viability of the supermarket anchor is key to the health of these centers. Safeway anchored centers, of which there are three in the city, may be particularly vulnerable, as the chain is struggling and repositioning, and closing a number of stores in the region including the Fort Collins store at 3657 S. College. In the event of a supermarket closure, it will be essential to find a new anchor to maintain the center's viability.

### ***Attraction/Retention***

The City should be proactive in providing aid to shopping center owners to maintain and/or replace anchor stores in Neighborhood Centers, especially grocery anchors. The health of these centers is driven by the presence of anchor use. These centers have the ability to attract both national and local retailers, which can provide an opportunity for diverse offerings. A number of these centers are starting to age with the buildings reaching their useful life. Support for reinvestment in the buildings to aid in attraction and retention should be considered to maintain viability of the area.

### ***Land Use***

The city currently has a commercial zone district specific for Neighborhood Centers that works well to preserve and create the opportunity for these centers. Ensure that the district standards prioritize the preservation of main commercial center that includes an anchor use(s) and limits redevelopment threats. To that end, consider limitations on residential uses in these districts that are focused on out parcels, sites with chronic vacancy, and projects that provide retail in vertical mixed-use development. These centers can become better integrated into the neighborhoods and more walkable without impacting the retail functions of the center. Greater flexibility in standards to allow for increased public space, walkability, and orientation to neighborhoods should be explored.

### ***Future Opportunities***

As mentioned previously, the future demand analysis indicated that there is sufficient demand long-term for two centers in the northeast quadrant of the city to meet needs of new residents. A center in the Montava development area and along East Mulberry as part of the Bloom and Peakview development projects would meet new resident needs. There is a potential for a new neighborhood center to be located along South College Avenue between Skyway Drive and the city's southern boundary to be built if/when additional residential development occurs in the area.

### ***Neighborhood Strips and Nodes***

EPS mapped 11 neighborhood retail nodes or strips in the city. These are mostly older retail areas lacking an anchor and with varying levels of quality and focus. Their greatest assets are proximity to surrounding neighborhoods. There are opportunities for re-tenanting of existing spaces and for redevelopment and infill to attract more neighborhood compatible and neighborhood serving businesses to these districts.

### ***Attraction/Retention***

These areas support surrounding neighborhoods but are not essential areas to the overall economic and fiscal health of the community. The City can support these areas by allowing for reinvestment and evolution of properties to allow for refill of vacancy and modernization. These areas are primarily locations for small and local businesses and often have lower cost space for new businesses to start in. Support to maintain and reinvest in buildings can help to maintain these lower cost opportunities for new/small businesses.

### ***Land Use***

The city currently has two zone districts, Service Commercial and Limited Commercial, that can support these types of areas depending on context. There may be the potential to consolidate these districts into one and/or application of a mixed-use district for some of these areas that have allowances for retail. Loss of

these retail spaces to infill and redevelopment is not a major concern, so flexibility for redevelopment should be supported. Similar to Neighborhood Centers, allowing for built environments that increase walkability and orientation to neighborhoods should be allowed.

## Retail Store Opportunities

This section of the report focuses on opportunities for attracting specific national and regional retail stores and concepts to Fort Collins. In spite of the continuing growth in market share for e-commerce, bricks and mortar stores still account for 88 percent of retail sales nationwide; accordingly, there are still opportunities to attract new to the market businesses to Fort Collins to fill vacant storefronts, to shore up struggling nodes and centers, and to anchor new retail centers that are anticipated to be developed on the north and east sides of the city.

### Top Expanding Retail Chains

According to the National Retail Federation (NRF), the fastest-growing bricks-and-mortar retail chains in 2025 are mostly value-focused or experiential brands, discount stores, specialty grocers, and convenience chains that have aggressively expanded their physical footprints and innovated in customer experience.

The fastest growing national store chains include:

- Value focused – dollar stores and convenience stores
- Discount stores – Target, Walmart, Costco, and Sam's Club
- Specialty grocers – Aldi, Sprout's, Trader Joe's, H-Mart
- Experiential brands/formats – Dick's House of Sports, JD Sports, Rally House
- Food and beverage – new fast food and QSR chains

### ***Expansion Drivers and Trends***

Retail store growth is impacted by the continued bifurcation of household incomes in the country. Lower- and middle-income households have been feeling the pinch of inflation, and are therefore focused on value (i.e., low prices, discounts, and affordable goods). Upper-income households - who are generally older and with more disposable income - are actually spending less in stores, but when they do, are seeking experiential and specialty stores, and dining and entertainment experiences.

Many successful new stores feature smaller, agile formats, regional concepts, and hybrid online-offline features. Chains investing in customer experience (loyalty programs, service upgrades, store redesigns), and technology integration, are outperforming those sticking to traditional models. Many existing chains are creating omnichannel sales platforms that unify in-store, online, mobile, and social channels, allowing customers to browse online and purchase in-store, or vice-versa. The merging of online and in-store experiences cuts across store categories;

Walmart and Whole Foods (as part of Amazon) are established grocery-big box industry leaders, and Nike and Zara, to name just two, are specialty store leaders in downtown and mall settings.

### Fort Collins Retail Niche

Fort Collins has a unique position in the Colorado market with respect to attracting new retailers, or existing retailers with expansion plans. The city is considered a second-tier market within Colorado, meaning that it is unlikely to land a new to the market store that has not already entered the Colorado market with a store in the larger Denver-Boulder metro area. However, once established with one (or several) successful stores, expanding to the next tier of metro areas in the state (i.e., Colorado Springs and Fort Collins), is a common growth strategy. This is especially true of grocers and other large inventory stores who will want to grow the number of stores operating out of a Front Range distribution facility.

The City of Fort Collins is a relatively young, middle income, and growing market with appeal to specific store categories and chains. It is a logical location for a fast-growing brand entering the state market with a multistore rollout strategy. Similarly, it is a strong location for Colorado-born regional brands expanding within the state. With respect to specific store types, Fort Collins has strong appeal for outdoor equipment and apparel retailers. **Table 19** below highlights a select group of fast-growing retailers with potential for a Fort Collins area store in the next five years.

**Table 19. Potential Target Retailers**

Description	Subcategory	Number of Stores				Formats
		In CO	In Fort Collins	National	Avg. Size (Sq. Ft.)	
<b>Grocery/Supermarket</b>						
Aldi	Discount	No	No	2,392	17,800-22,000	Neighborhood Center/Urban
WinCo	Discount	3	No	142	80,000-96,000	Freestanding/Neighborhood Center
Trader Joe's	Natural Foods	8	1	608	10,000-15,000	Neighborhood Center/Urban
Sprouts	Natural Foods	34	1	450	23,000-25,000	Neighborhood Centers/Urban
Whole Foods	Natural Foods	23	1	527	40,000-70,000	Freestanding/Power Center/Urban
H Mart	Asian Grocer	2	No	97	40,000-60,000	Freestanding/Power Center
Natural Grocers	Natural Foods	44	1	169	10,000-12,000	Freestanding/Urban
<b>Health and Beauty Stores</b>						
CVS Pharmacy	Drugstore (Health and Beauty)	55	2	7,000	13,000	Freestanding/Neighborhood Center
Sephora	Health and Beauty	15	1	1,777	1,500	Mall/Urban
<b>General Merchandise</b>						
Wayfair	Furniture and Home Furnishings	No	No	3	125,000	Vacant big box
World Market	Specialty Import	9	1	1	16,000-18,000	Freestanding and strip
Ikea	Furniture and Home Furnishings	1	No	483	300,000	Freestanding
Crate & Barrel	Furniture and Home Furnishings	2	No	130	25,658	Freestanding/Power Center
Dollar General	Dollar Variety	100	No	18,600	7,500	Freestanding and strip
<b>Specialty Apparel</b>						
Arc'teryx	Technical outdoor apparel	4	No	167	3,500-4,000	Lifestyle/Urban
Urban Outfitters	Lifestyle Retail	3	No	733	6,000	Freestanding/Power Center
Zara	Lifestyle Retail	1	No	2150	15,700	Freestanding/Power Center
Vuori	Athletic apparel	4	No	100	2,000-3,000	Mall/Urban
<b>Sporting Goods and Outdoor Recreation</b>						
Dick's House of Sports	Sporting Goods	No	No	22	100,000-120,000	Freestanding//Power Center
Rally House	Sporting Goods	7	No	225	5,000-10,000	Lifestyle Centers
Going Going Gone!	Discount Sporting Goods	No	No	21	30,000-45,000	Dick's store conversions
<b>Entertainment Retail</b>						
Netflix House	Experiential entertainment	No	No	2	100,000+	Vacant department stores
Topgolf	Sports entertainment	3	No	103	55,000-65,000	Freestanding
Build-A-Bear Workshop	Entertainment Retail	5	No	368		Power Center/Activity Center
<b>Restaurants and Bars</b>						
Cheesecake Factory	Sit-down Restaurant	4	No	215	7,000-9,000	Freestanding/Mall
Portillo's	Sit-down Restaurant	No	No	95	5,500-6,000	Freestanding/Activity Centers
In-and Out Burgers	Fast Food	13	No	418	3,000-3,900	Freestanding
El Pollo Loco	Fast Food	3	No	500	2,200	Freestanding
Shake Shack	Fast Food	10	No	579	3,250	Freestanding/Activity Centers
Whataburger	Fast Food	8	No	1,157	3,500	Freestanding

Source: SEC 10-K Reports, Other Industry Sources; Economic &amp; Planning Systems

### Grocers

The grocery store prospects for the city have greatly improved over previous decades when there were only three store chains (King Soopers, Safeway, and Albertson's) offering more or less the same product mix. More recently, Whole Foods, Sprouts, and Natural Grocers have opened stores featuring natural and organic products in a range of store sizes. Two other grocery store chains, Aldi and WinCo, are moving into Colorado and would be strong candidates to anchor neighborhood centers. Total Wine and More, a national chain liquor superstore, is also a strong candidate.

- **Aldi** - Aldi is a German multinational chain of discount grocery stores that operates 2,392 stores across 39 states in the US, mostly in eastern states and as

far west as Nebraska. Currently there are no locations in Colorado, but the company has indicated their desire to expand in the Colorado market. A typical Aldi store averages between 17,800 and 22,000 square feet in total building space, with 10,000 square feet dedicated to sales floor area. Annual sales for Aldi U.S. have been reported at \$18.2 billion for fiscal year 2022, with about 2,400 stores in operation at that time.

- **WinCo** - WinCo is a reincarnation of the former Cub Foods store chain. They feature a large warehouse style bulk food format and operate 142 stores primarily in the western United States. Colorado does not have a location as of 2025, but have announced its first store in the state to be built at Lark Ridge in Thornton; they have also purchased properties planned for stores in Firestone and Loveland. A typical WinCo store in the U.S. averages between 80,000 to 96,000 square feet in total building space.
- **Trader Joe's** - Trader Joes, known for its private label products and its "Two Buck Chuck" wine, currently has 608 stores in 43 states, including eight in Colorado and one in Fort Collins. The average store size is 10,000 to 15,000 square feet; however, a new store in downtown Westminster is 25,000 square feet. In 2023, total chain sales were estimated at \$16.5 billion, which from 563 stores, which equates to approximately \$2,000 sales per square foot, much higher than most grocers.
- **Natural Grocers** - Natural Grocer's is a Colorado-based health foods chain. As of 2024, the company operates 169 stores in 21 states and has a presence in every state west of the Mississippi except for California. Colorado is home to 45 stores, including one store in Fort Collins. Natural Grocers have an average store size of 11,000 square feet. In 2024 sales were estimated at \$1.24 billion, or \$668 per square foot.
- **Total Wine and More** - Total Wine is a fast-growing national wine and liquor chain with 285 stores in 30 states and five Colorado locations, all in the Denver metro area. They are adding 15 to 20 new stores per year, and Fort Collins would therefore be a logical Colorado expansion location. The chain favors empty boxes and new buildings in power center locations with stores averaging 25,000 to 30,000 square feet.

#### ***General Merchandise and Home Furnishings***

General merchandise department stores are continuing to struggle with many chains closing stores. Large one-in-the-region retailers, like Ikea and Wayfair, are not likely candidates for Fort Collins. Opportunities exist for specialized home furnishings businesses including World Market, Crate and Barrel, and RH.

- **World Market** - World Market (formerly Cost Plus World Market) is a chain of specialty/import retail stores selling unique furniture, home decor, international foods, and specialty items. There are currently 246 locations in the U.S. with

nine locations in Colorado and one location in Fort Collins at Front Range Village. Stores average between 16,000 and 18,000 square feet in size. Total sales were \$1.8 billion in 2024, or \$7.3 million per store, or about \$430 per square foot.

- **Crate & Barrel** – Crate and Barrel is a furniture and home goods retailer that specializes in upscale homeware, furniture, and décor merchandise. C&B operates 130 stores across eleven countries. Four stores are located in Colorado, all in the Denver metro area. C&B stores average 26,000 sq ft in size according to CoStar data. Across all stores, C&B has 3.3 million square feet of retail space. According to Forbes, C&B generated \$2.5 billion in revenue in 2024, corresponding to \$750 per square foot.

### ***Sporting Goods and Outdoor Recreation***

Fort Collins is high on the radar of outdoor recreation companies and sporting goods retailers in general. A number of outdoor apparel brands found in larger stores (e.g., Patagonia, North Face, Eddie Bauer) have opened their own stores in malls, specialty retail areas, and outlet malls, but are not growing. Two growing store chains with opportunities for Fort Collins are profiled below.

- **Dick's House of Sports** - Dick's HOS is a large format experiential retailer with a focus on hands-on customer engagement. The stores have climbing walls and golf simulators and are roughly twice the size of a standard Dick's Sporting Goods store at 100,000 to 120,000 square feet. There are currently 22 Dick's HOS location in the US. Dick's HOS plans a rapid store roll-out with 75-100 stores expected by 2027, with Colorado locations likely in that timeframe.
- **Rally House** – Rally House is a rapidly growing sports apparel and merchandise retailer featuring Nike and Columbia and other top brands and including a broad assortment of officially licensed apparel and merchandise from Colorado professional and college teams. There are currently 225 locations across 21 states with six Colorado locations in Castle Rock, Boulder, Centennial, Lakewood, and Westminster. The average store size is 5,000 to 10,000 square feet with larger stores at prominent locations like the Pearl Street Mall in Boulder.

### ***Specialty Stores***

The most successful specialty stores are incorporating omnichannel strategies and enhanced in-store experiences. This trend extends to specialty apparel, sportswear, beauty, and value-focused retail formats within mall environments. Fast growing mall specialty stores include Lululemon, Sephora, Arc'teryx, ZARA, and Vuori. Lululemon and Sephora already have a Fort Collins presence. Arc'Teryx, ZARA, and Vuori are fast growing brands expanding in Colorado and potential targets for Fort Collins.

- **Arc'teryx** - Arc'teryx is a fast-growing, high-end, outdoor apparel and specialty store focused on technical apparel for high-performance climbing, trail running, hiking, and snow sports. As of 2024 Arc'teryx has 176 branded stores globally, with 65 stores and 7 factory outlets located in North America. The company opened 33 net new stores in 2024 and plans a similar expansion pace in 2025 with 25 to 30 new stores. There are four stores in Colorado including two in Denver and one in Boulder and an outlet store in Castle Rock. The average size of most Arc'teryx stores is around 3,400 to 3,500 square feet. According to Fashion Network, Arc'teryx sales were estimated at \$2 billion in 2024, corresponding to \$3,245 sales per square foot.
- **ZARA** - ZARA is a fast-growing global clothing, accessory, and beauty products store headquartered in Spain. They are a subsidiary of Inditex, a global retail group with nine brands under its umbrella. According to company 10k reports, ZARA had 2,150 stores globally with one Colorado location in the Cherry Creek Mall. In 2024, ZARA had 33.8 million square feet of store space and \$27.78 billion in sales in 2024, or \$822 per square foot.
- **Vuori** - Vuori is an athletic clothing retailer for men and women including joggers, leggings, sweatpants, shorts, hoodies, t-shirts, and tank tops. It has approximately 100 stores in the U.S. including four in Colorado in Aspen, Cherry Creek Mall Denver, Boulder, and in Castle Rock Outlet Mall. Vuori is an omnichannel merchant, operating a network of branded stores in the U.S., a robust direct-to-consumer website, as well as distribution through select third-party retailers such as REI. Average store sales are \$3 to \$4 million or over \$1,000 per square foot.

### ***Entertainment Retail***

- **Netflix House** - Netflix House is a large format experiential retail attraction themed around Netflix shows, including mini golf, VR gaming, interactive story events, live performances, dining, and branded merchandise. There are currently two Netflix House stores: one at the King of Prussia Mall near Philadelphia and one at Galleria Dallas in Texas with a third planned for Las Vegas in 2027. Plans are for expanding to 50 to 60 worldwide. Netflix House stores are each over 100,000 square feet in size, occupying former department store anchor spaces in major regional malls. This makes them among the largest single-brand entertainment retail experiences in the US.
- **Build-A-Bear** - Build-A-Bear is a mall-based, experiential specialty retailer designed for children. During store visits, customers go through an interactive process where they customize a stuffed animal of their choice. BaB operates 369 corporate locations across the US and UK. Colorado has six locations, including one in Loveland. The average size of a store is 2,143 square feet. The latest store sales data show \$496.4 million in net retail sales, corresponding to \$628 sales per square foot in 2025.

### ***Restaurants and Bars***

Dining and entertainment continue to be among the fastest growing retail categories including fast food and quick serve casual (QSR) chains. In burger restaurants, In-and-Out Burgers is the hottest brand in Colorado with 13 locations in the Denver metro area and Colorado Springs, and new stores planned for Longmont, Broomfield, and Timnath. There are also a proliferation of new chicken restaurants including Chick-fil-A, Raising Canes, Popeye's and El Loco Pollo.

Many of the newest sit-down restaurants are locally owned and chef driven businesses. The market is extremely competitive with as many closings as openings. Among national restaurant chains, three growing operators may be candidates for Fort Collins.

- **Cheesecake Factory** - The Cheesecake Factory is a large full-service restaurant chain with an extensive menu and more than 30 varieties of cheesecake. There are 215 locations in the U.S., making it one of the largest casual dining chains in the country. The average store size for The Cheesecake Factory is typically between 7,500 and 10,000 square feet, The restaurant has two Colorado locations, in Downtown Denver and in Park Meadows Mall in Lone Tree.
- **PF Chang's** - P.F. Chang's is a national Asian and Chinese restaurant chain with 208 locations nationally and nine in Colorado, the newest at Orchard Town Center in Westminster. The average restaurant is 9,600 square feet with average sales of \$4.37 million or \$455 per square foot.
- **Portillo's** - Portillo's is a Chicago based restaurant chain featuring Chicago food specialties including Chicago-style hot dogs and Italian beef sandwiches. There are 95 existing locations with two existing stores in Colorado at Northfield in Denver and in Colorado Springs, and has plans for new locations. Average size for new restaurants is 5,500 to 6,000 square feet and Average annual sales are estimated at \$8 to \$11 million per year and approximately \$982 per square foot.

### **Retail Support Tools**

The City of Fort Collins has several financial tools that can be used to support new retail development and existing retailers/property owners. There are two categories of tools to consider retail sales tax incentives and development and business support tools.

### **Retail Incentive Options**

This section reviews retail incentive policies and programs in place in nearby cities and towns in the northern front range region. The plusses and minuses of Fort Collins adopting such policies are then discussed.

### ***Background***

Retail recruitment is highly competitive amongst Colorado municipalities. Cities compete largely because of the importance of sales taxes as the primary source of annual revenues for most cities. It has become increasingly common for desirable retail stores that are projected to generate significant net new sales tax revenues to seek a sales tax incentive from a municipality. Costco is the most notable example. With an average 150,000 square foot store generating an average of \$135 million or \$900 per square foot in taxable sales, it represents a major increase in sales tax revenues for most cities. Buc-ee's, new to the state, is another retailer who commonly seeks a share of its future sales tax as an economic development incentive. Buc-ee's travel centers average 74,000 square feet and generate an average of \$50 million in taxable sales, which is a major boost to the smaller towns in which they are located.

### ***Sales Tax Sharing***

The most common forms of sales tax revenue sharing are Enhanced Sales Tax Incentives Programs (ESTIP) and direct sales tax shareback agreements as summarized below:

- ESTIP – an Enhanced Sales Tax Incentive Program is a formal policy or program whereby a municipality will share a portion of the future sales tax revenues generated by a new or expanding retailer for a specified period of time or up to a not to exceed total. A number of nearby cities have adopted an ESTIP policy (or equivalent) including Loveland, Berthoud, and Timnath as shown in **Table 20**. Most cities with an ESTIP program establish a minimum threshold of net-new sales tax as an eligibility criterion.
- Sales Tax Shareback – A number of area municipalities have negotiated sales tax revenue sharing agreements with major retailers as part of a development or annexation agreement. Notable nearby examples include Costco's store in Timnath. The Town agreed to rebate 50 percent of the net-new sales tax attributable to the store for a period of five years. In another significant local example, the Town of Johnstown agreed to share 1.5 percent of its local sales tax to Buc-ee's for a 25-year period.

**Table 20. Sales Tax Sharing Agreements**

	Timnath	Erie	Loveland	Northglenn	Berthoud
<b>Type</b>	Statutory town	Statutory town	Home rule city	Home rule city	Home rule town
<b>Population</b>	10,848	30,155	82,252	35,219	12,754
<b>Policy or Ordinance</b>	Enhanced sales tax incentive	Enhanced sales tax incentive	Retail development incentive	Enhanced sales tax incentive	Commercial and retail development incentive
<b>Purpose</b>	Economic development tool to support small businesses and redevelopment efforts in designated areas	New or expanding retail business	1) Fills or expands a retail need not being met, or 2) is a redevelopment/infill project in a defined priority area	Establishment and/or expansion of retail sales tax generating businesses	Encourage the development and redevelopment of retail and commercial propertis in the central business area that:1) fill an identified retail gap, 2) create an infill or redevelopment opportunity along Mt. Ave Corridor, or 3) create a live-work mixed use development
<b>Eligibility Criteria</b>	Meets above purposes	\$20,000 in new sales taxes per year	Meets above purpose	Meets above purpose	Minimum investment of \$100,000 in building or equipment in first year after incentives awarded
<b>Use of Funds</b>	Building improvements, façade upgrades or significant redevelopment	Public or public-related purposes	Public improvements	Not specified	Not specified
<b>Maximum Incentive</b>	Up to 50% or net new sales tax - maximum amount or length of time not specified	No more than 50% of net new eligible sales taxes	Sales tax rebates considered on a case-by-case basis	Shareback of up to 75% of incremental sales taxes over approved term	Waiver of construction sales and use taxes; sales tax rebates on case-by-case basis - not to exceed 5 years or 5% of total project budget
<b>Other Incentives</b>	May also consider refunds on construction use tax or building permit fees	May also request reduction or waiver of fees (application, permit and/or development fees)	Waiver of development fees,use taxes, capital expansion fees, or impact fees	None specified	Façade improvement grants up to 25% of total cost and maximum of \$10,000. Public infrastructure reimbursements on case-by-case basis
<b>Approval</b>	Town Board	Board of Trustees public hearing	City manager approval below \$30,000, City Council above \$30,000 up to maximum of \$150,000 in one year	City Council	Town Board

### Other Sales Tax Incentives

Developers of major shopping centers or other retail-based mixed-use developments often also approach cities requesting a financial incentive involving a share of sales tax revenues as part of a public investment package. This is most often implemented through the imposition of a public improvement fee (PIF). A PIF is a privately imposed fee added by developers or property owners to sales transactions at businesses located in the development to fund infrastructure improvements. There are two types of PIFs, an Add-on PIF or a Credit PIF as summarized below.

- Add-on PIF – An Add-on PIF is a private fee over and above the sales tax on business transactions in a major retail development charged by the owner for operations and marketing expenses. PIFs typically range from about 0.5 percent to 2.5 percent of the sales price. These fees are most often used as a revenue source for metro district bonds taken on by the developer to finance the construction and maintenance of public improvements.
- Credit PIF – Under a credit PIF agreement, a municipality would agree to provide a developer with a temporary sales tax credit equal to the amount of a PIF imposed within the designated development to pay for public improvements and economic development incentives. A local example is Johnstown Center in the Town of Johnstown which has a 1.5 percent credit PIF. The developer receives the equivalent of 1.5 percent of sales tax generated, and the Town agrees to reduce its sales tax by an equal amount.

### ***Incentives Considerations***

ESTIPs, or other sales tax sharing programs or ordinances, are typically used by smaller communities to encourage retail business start-ups or expansions. They can also be used by larger communities (e.g., Loveland) as an economic development tool to encourage investment in specified redevelopment areas. The City of Fort Collins could potentially consider the use of an ESTIP as part of its larger economic development or redevelopment toolkit.

Other sales tax shareback agreements, or other sales tax based incentives, are generally a one of a kind consideration for major retailer and/or for major development projects with a significant retail component. The City, as a general rule, is not inclined to share sales tax revenues as it is the City's most important source of funding. However, there may be circumstances where a shareback may be warranted for competitive considerations or for extraordinary redevelopment costs in excess of what can be addressed by tax increment under urban renewal.

## Development and Business Support Tools

The other set of tools are ones that support the development, redevelopment, and reinvestment into retail spaces and businesses. The City of Fort Collins utilizes some of these tools already, but they are provided to illustrate their applicability to implementing recommendations.

### Districts

#### *Urban Renewal Authority (URA)*

Urban Renewal Authorities (URA) are designed to address blighted economic conditions through the use of its redevelopment powers including land assembly and tax-increment financing (TIF). TIF allows new property taxes from all taxing entities, as well as new local sales, and/or lodgers tax generated in the URA district to be earmarked for public improvements in the district. URAs have a limited life of 25 years, after which the increase in property tax is returned to the City's General Fund. URA tax dollars can either be applied to project costs as a "pay as you go" model, or future tax dollars can be bonded against to fund upfront capital costs. An additional advantage for retail projects is that the City can also TIF the future local portion of sales tax under its home rule powers.

The Fort Collins Urban Renewal Authority currently has three active districts which are all along College Avenue. The City has already been active in utilizing urban renewal to support the reinvestment and redevelopment of retail areas including the Midtown College URA that was formed to support the redevelopment of Foothills Mall and the recently formed College and Drake URA which was formed to support the development of a new King Soopers Marketplace and is also facilitating the redevelopment of older retail and auto uses to mixed use development. The City has also utilized urban renewal on North College to support reinvestment but has utilized the tax increment in more diverse ways including programs to support small businesses and property acquisition. Urban renewal could be a tool that the City can utilize to support reinvestment in shopping centers in Regional Nodes or helping lower value, underutilized commercial centers redevelop into higher density uses.

#### *Title 32 Metropolitan District (Metro District)*

A Metro District is an independent special district formed to develop and/or operate two or more public infrastructure improvements such as roads, utilities, parks, or public parking. A metro district is most often created by a land developer (but requires the city's approval of the service plan) to apply an additional mill levy to future development to create a revenue stream to help pay for infrastructure costs. There are limitations to the mill levy that can be imposed on retail tenants without negatively impacting lease rates and project NOI. This financing tool also is not effective for recruiting individual major retail targets.

The City has a Metro District policy that specifies when and where the City may support the creation of a district in the City's boundary. The City has preferred to only support districts when the project is commercial/employment oriented. Formation of a Metro District could be away to support development of new commercial centers in high priority areas such as a new regional node along I-25 or supporting a Neighborhood Center development in the northeast quadrant of the city.

#### ***Business Improvement District (BID)***

A BID is a district-based quasi-public or private agency governed by a board of directors that can be appointed by the mayor, elected by the district, or assumed by an existing URA, DDA, or GID board. BIDs are by commercial property owners (requires 50 percent of non-residential property) in a contiguous (or noncontiguous) area to provide necessary services such as planning, managing development activities, promoting or marketing, business recruitment, and/or maintenance. BIDs are generally more operationally-focused than URAs or DDAs and act as a type of manager of a business district, similar to a retail mall manager. BIDs have the power to assess costs of service to local property owners through either an additional property tax (mills) or a special assessment charge. BIDs are important management tools for existing business districts addressing "clean and safe," marketing and promotions, events, and economic development. They do not have the revenue generating potential for specific recruitment incentives or gap financing.

The City has one formal BID in the city that was formed to support the Midtown Corridor/Foothills Mall area. The Downtown area has both a General Improvement District and Downtown Development Authority established to support that area. The City could explore encouraging and supporting the formation of additional BIDs to support major retail areas including Regional Nodes or for existing or forming Neighborhood Centers that have several centers/property owners that may want to work together. The South College Avenue corridor may be an opportunity for disparate business and property owners to for a BID to promote and invest in the areas an emerging retail/small business node.

#### ***Business Improvement Loans/Grants***

The City could consider the creation of a business support loan and/or grant program that can help support small and local retail businesses with starting/ growing their businesses and/or with making improvements to their existing buildings. There are variety of different focuses and program structures that could be considered. The primary goal is to provide businesses with greater access to capital through low or zero interest loans or grants that can help address challenges. These programs are often focused on small businesses with relatively modest grant or loan amounts (e.g. \$50,000) and can be funded by the City through various mechanisms including urban renewal. Example programs other communities use include façade/building improvement grants/loans, small business start-up loans, business expansion (e.g., second location) support loans/grants.

# Adapting to a Changing Regional Role: An Integrated, Proactive Approach to Economic Health

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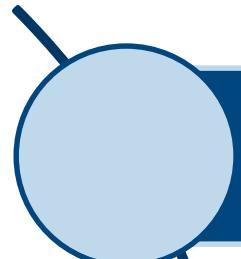


- Does Council agree that the economic challenges represented should be addressed?
- Does Council support moving forward with an update of the business assistance policy?
- What other trade-offs between economic competitiveness and other strategic priorities should staff consider?

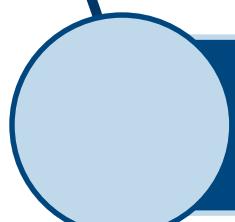




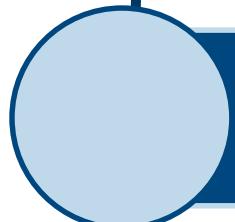
Fort Collins: a healthy, equitable , and resilient community where people and businesses can thrive



## Economic Uncertainty



## Inflation Impacts



## Labor and Consumer Behavior Changes



## Competition for sales tax and quality jobs

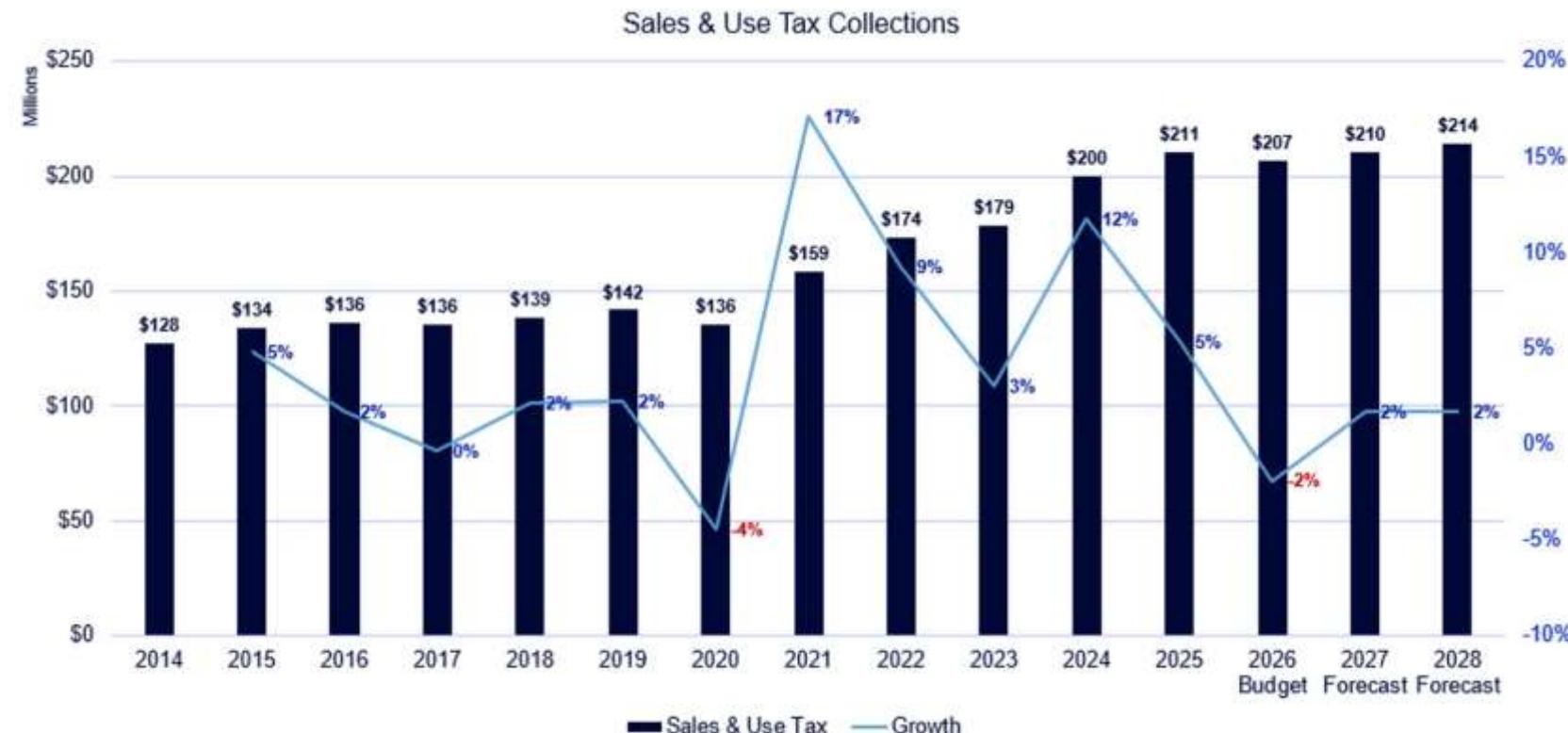
# 26 Sales & Use Tax Forecast

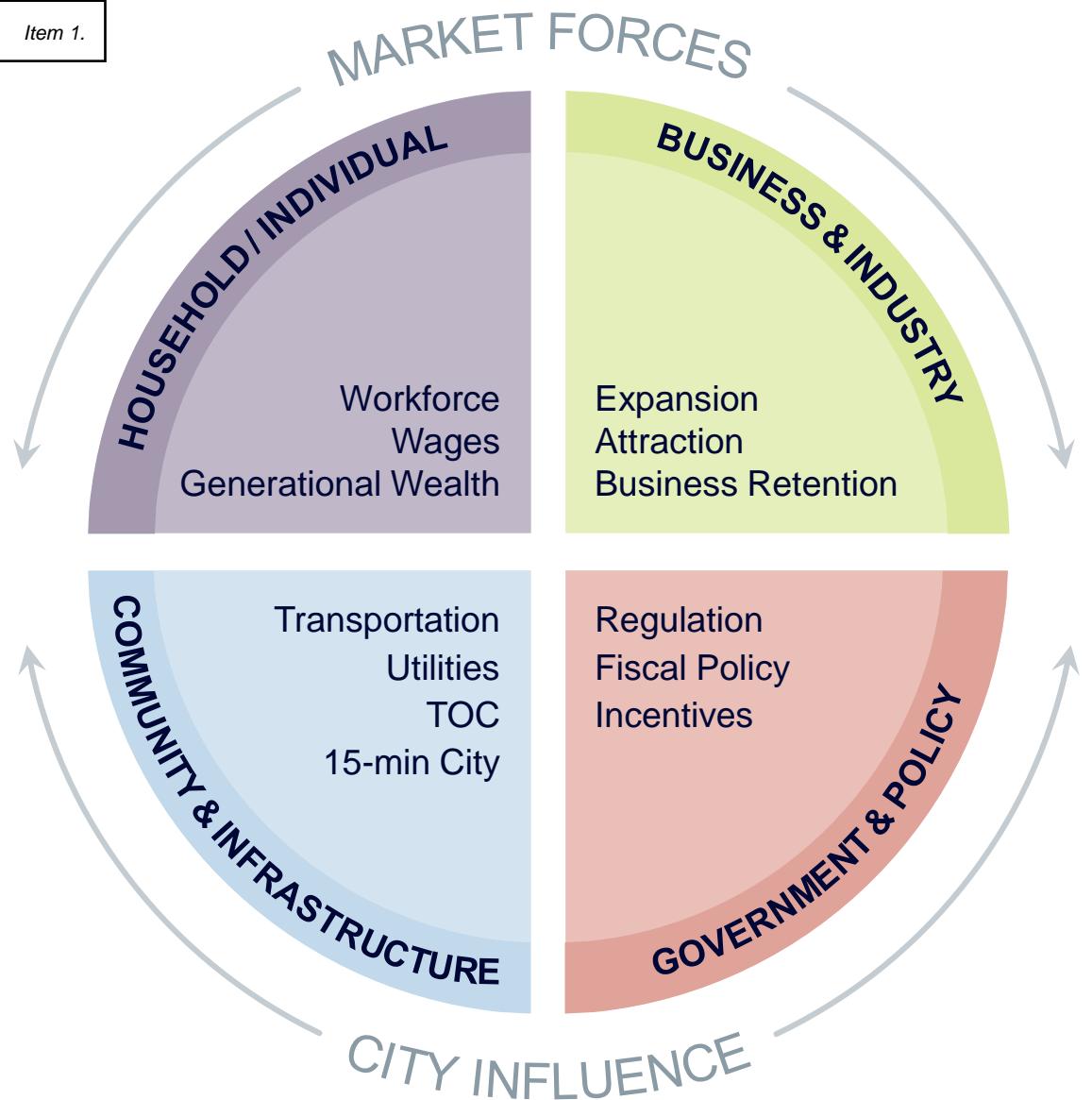
## 2026 Budget & Forecast

	2026 Budget	2026 Revision	% Δ	\$ Difference
Sales Tax	188,894,296	181,789,166	-4%	(7,105,130)
Use Tax	25,000,000	25,000,000	0%	0
<b>Total</b>	<b>213,894,296</b>	<b>206,789,166</b>	<b>-3%</b>	<b>(7,105,130)</b>

## 2026

2% growth forecast for sales tax (adjusted for one-time revenue) and flat growth for use tax. Anticipated \$7.1M shortfall for 2026 revised budget.





## ECONOMIC HEALTH OFFICE WORK MODEL OVERVIEW

Develop policy framework for an updated business assistance packages

### Areas of Focus

- **Primary Employment** – quality jobs & upward mobility opportunities
- **Revitalization of Neighborhood Centers** – 15 min cities
- **Sales Tax** – stabilizing & increasing
- **Organization Policy Alignment** – business friendly – protector to partner

# Overview of Business Assistance Package Policy - Current



	Private Investment	Net New Jobs Promised	Jobs Retained	Actual Net New Jobs Added	Maximum Rebate Agreed Upon	Actual Rebate Paid Out
Forney	\$750,00	6	203	6	\$48,990	\$5,148
Avago I	\$80,200,000	92	See Avago II	See Avago II	\$2,048,000	\$1,436,983
Avago II	\$165,000,000	135	430	639	\$4,511,300	\$2,870,066
Custom Blending	\$6,000,000	16	51	5	\$215,400	\$13,130
Woodward	\$300,000,000	700	700	241*	\$3,905,200	\$2,635,006
Total	\$551,950,000	949	1,384	891	\$10,728,890	\$6,960,333

01

## No One Size Fits All Approach

02

## Performance-Based Compliance

03

## Specific Targeted Industries

04

## Council Approval Required



# Economic Incentives for Primary Employers: Colorado Communities

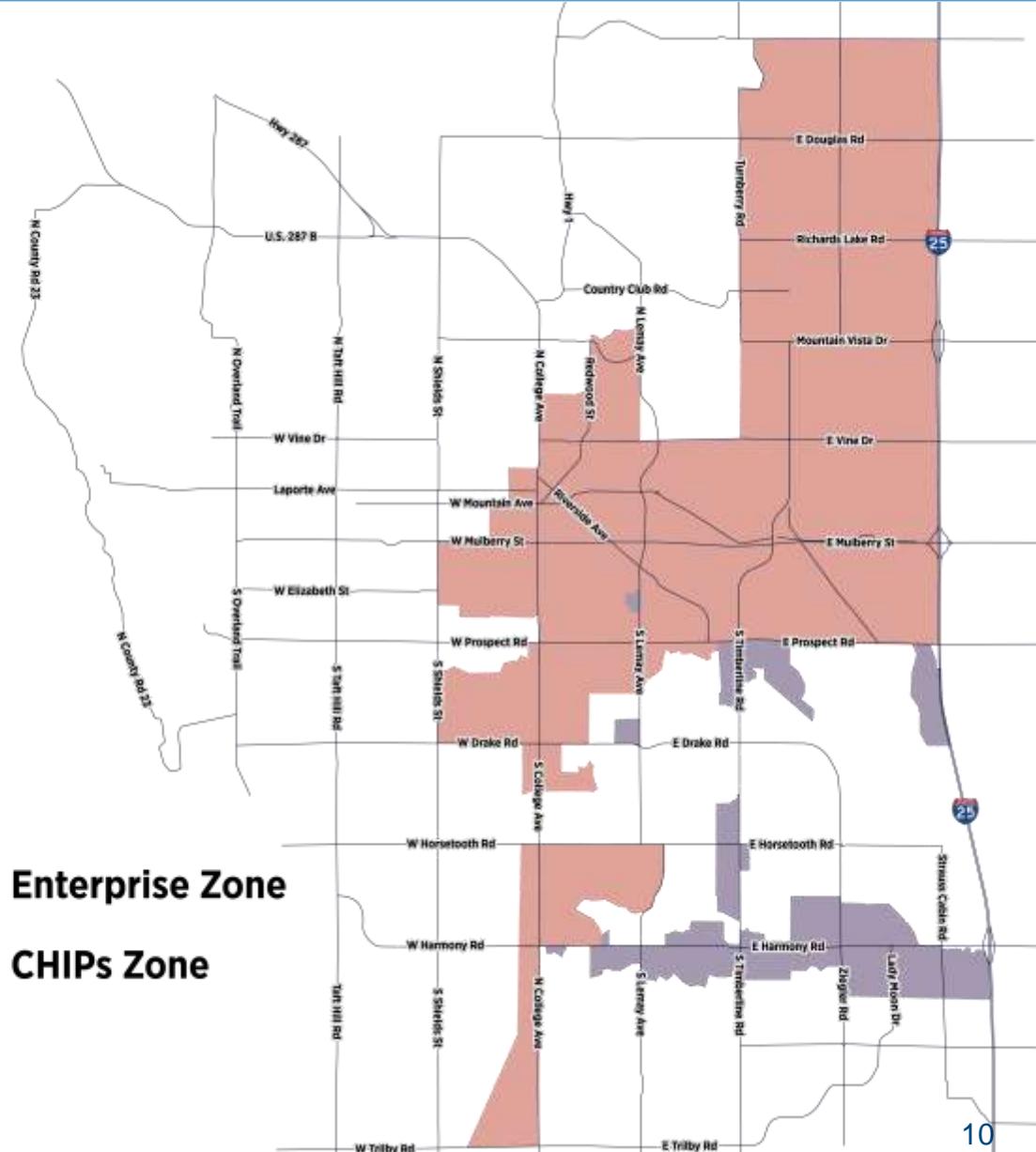
Item 1.



	Fort Collins	Loveland	Greeley	Windsor	Colorado Springs
<b>Manufacturing Use/Sales Tax Rebates</b>	50% Use Tax Rebate on General Fund portion only	Sales Tax Waived, Deferred, or Rebated	Sales/Use Tax Deferral or Reduction		50% Sales and Use Tax Rebated
<b>Construction Materials Use/Sales Tax Waiver/Rebates</b>		Fees Waived	Deferral or Reduction		50% Sales and Use Tax Reduction/Rebate
<b>Business Personal Property Tax Waiver/Rebates</b>	50% of City's mills up to 7 years	50% of City's mills not to exceed 10 years	50% of City's mills (includes real property)	50% of Town's mills up to 10 years	100% of City's mills
<b>Expedited Review</b>	✗	✓	✓	✓	✓
<b>Building Permit and/or Inspection Fee Waiver/Rebates</b>	✗	✓	✓	✓	✗
<b>Capital Expansion Fee Waiver/Rebates</b>	✗	✓	✓	✓	✗
<b>Cash Incentives</b>	✗	✓	✓	✓	✓
<b>Other</b>	✗	Incentives under \$30K can be done administratively (annually up to \$150K)	Economic Development Fund grants, loans (below market) or forgivable debt	Water/sewer tap fee; drainage fee waivers; training grant up to \$10K; access to CDBG funds for infrastructure	✗

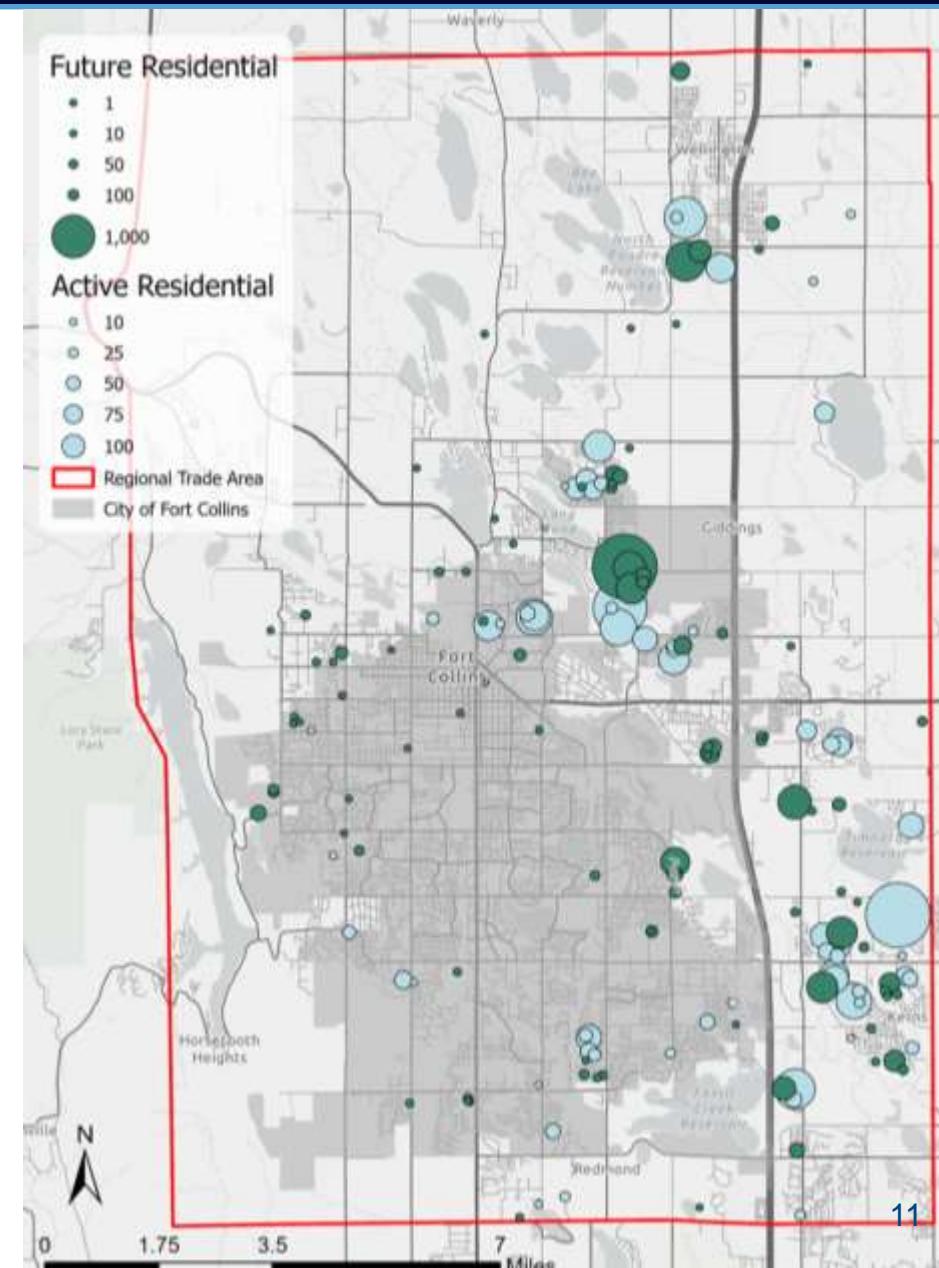
# Potential Primary Business Retention, Expansion, and Attraction Tools

- Expedited Review
- Construction Use Tax Rebates
- Manufacturing Eqpt Use/Sales Tax Rebates
- Building Permit Fee Reductions
- Utility Fee Rebates



# Fort Collins Regional Trade Area & Future Opportunity: Retail

- Fort Collins Regional Trade Area (“RTA”) is much larger than the City limits
- A lot of future growth is well within the RTA
- Now is the time to act

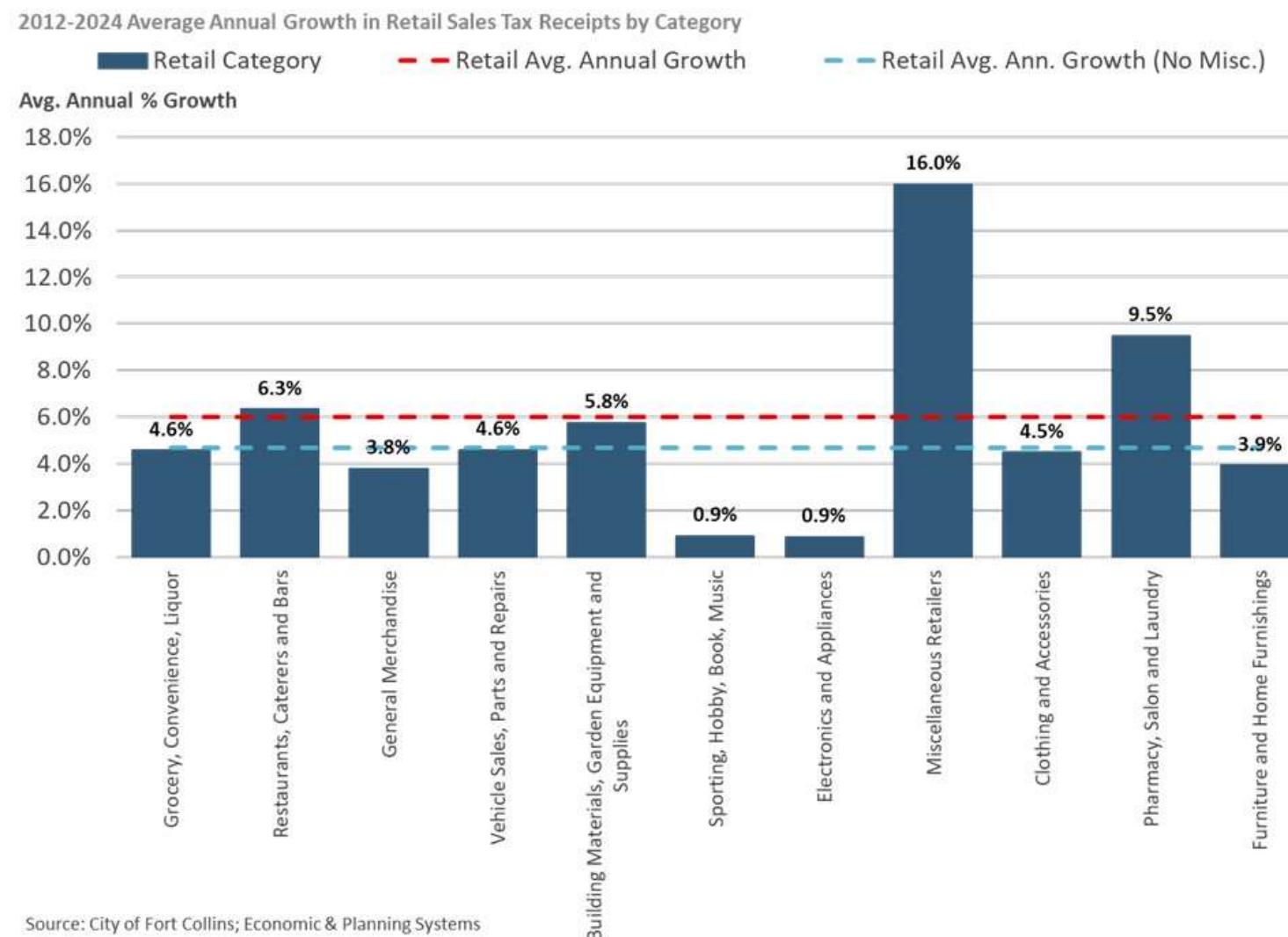


# Fort Collins Retail Strategy: Purpose & Context

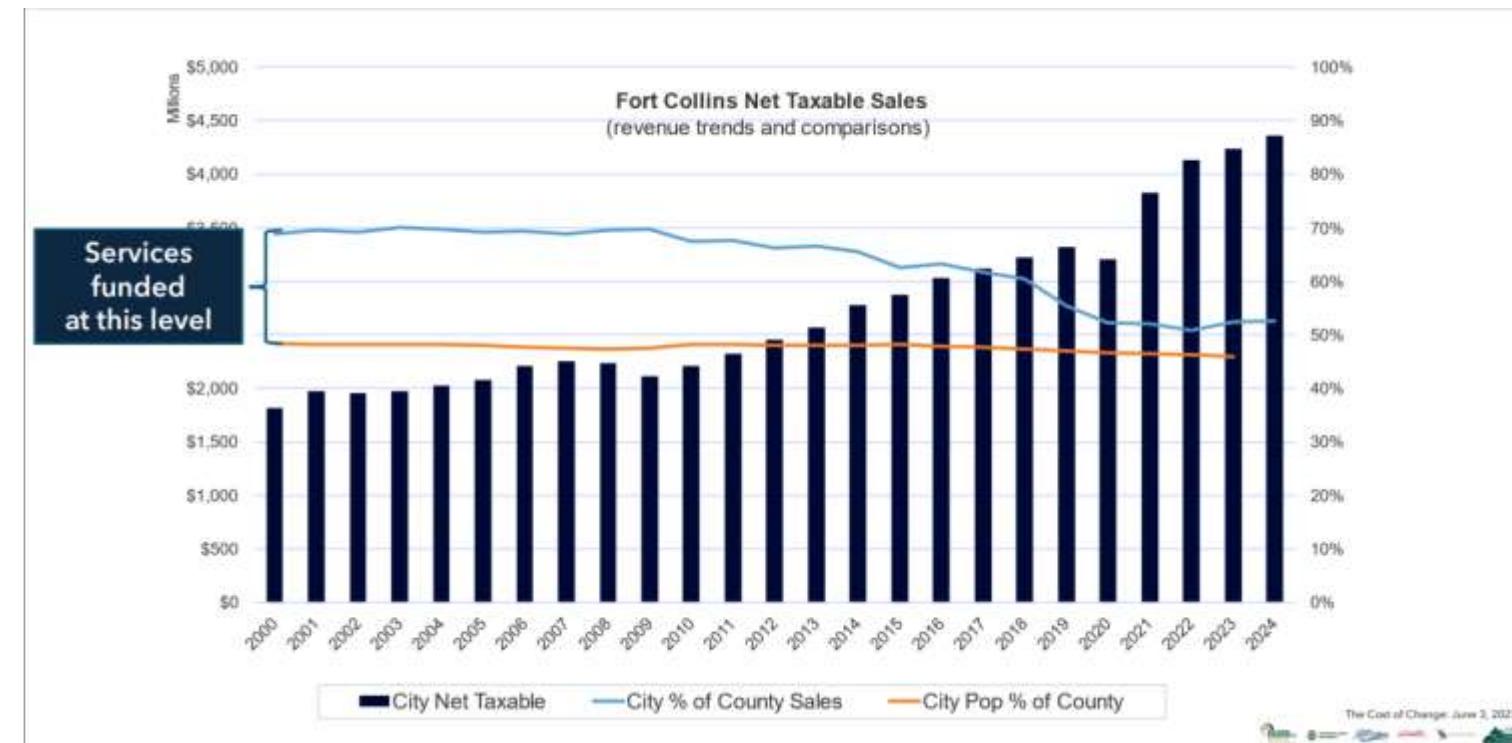
Fort Collins faces two connected challenges

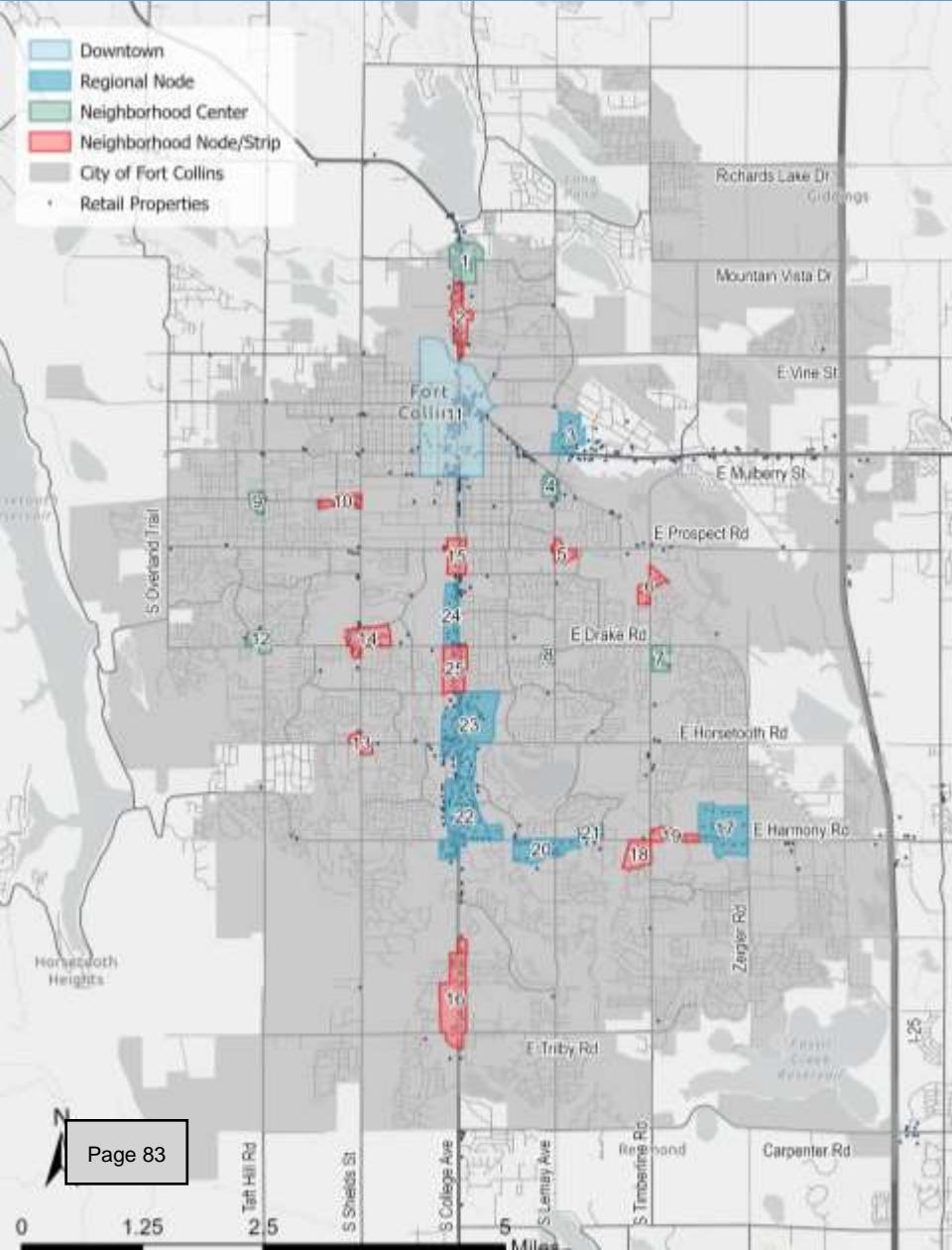
- Softening brick-and-mortar sales tax revenue
- Underperforming and aging neighborhood retail centers

**Bottom Line:** Addressing these issues requires a proactive, city-led approach that reduces barriers, directs investment to priority areas, and aligns retail growth with long-term community goals.



- Why Action Is Needed
- The Regional Reality
  - Fort Collins has lost ground as a regional retail destination
  - Sales tax growth has been driven largely by online collections
  - Peer cities are rapidly expanding retail and using incentives
  - Sales tax leakage to surrounding communities is increasing
- **Bottom line:** Choosing not to act is itself a competitive decision.





## Retail Typologies & Focus

- **Three Distinct Retail Roles**
  - **Regional Nodes:** Primary sales tax drivers and regional competitiveness
  - **Neighborhood Centers:** Grocery-anchored hubs critical to 15-Minute City goals
  - **Neighborhood Strips:** Local-serving retail with limited regional draw
- \* Each category requires a different level of City participation and incentive support.



- **Regional Nodes**
  - Stabilize and grow long-term/durable sales tax revenue
  - Support major retail attraction and redevelopment
  - Maintain regional competitiveness
- **Neighborhood Centers**
  - Spur reinvestment and modernization
  - Reduce sales tax leakage
  - Strengthen neighborhood identity and access
- **Neighborhood Strips**
  - Support local economic activity
  - Benefit indirectly through broader reinvestment strategies

# Opportunities to Enhance the Regulatory Foundation

District	Intent	Residential Allowance
Neighborhood Commercial	Mixed-use commercial core area anchored by grocery store and a transit stop	<ul style="list-style-type: none"> <li>• <b>Types</b> - Mixed-use, Apartment, Rowhouse, Duplex</li> <li>• <b>Height</b> – Up to 4 stories</li> </ul>
Community Commercial	Mixed-use, higher density areas	<ul style="list-style-type: none"> <li>• <b>Types</b> - Mixed-use, Apartment, Rowhouse, Duplex</li> <li>• <b>Height</b> – Up to 4 stories</li> </ul>
General Commercial	Community and regional retail uses, office and service businesses.	<ul style="list-style-type: none"> <li>• <b>Types</b> - Mixed-use, Apartment, Row House, Duplex</li> <li>• <b>Height</b> – Up to 4 stories</li> </ul>
Service Commercial	High-traffic commercial corridors where a range uses is encouraged	<ul style="list-style-type: none"> <li>• <b>Types</b> - Mixed-use, Apartment, Row House, Duplex</li> <li>• <b>Height</b> – Up to 3 stories</li> </ul>
Limited Commercial	Existing, small commercial areas adjacent to residential neighborhoods	<ul style="list-style-type: none"> <li>• <b>Types</b> - Mixed-use, Apartment, Row House, Duplex</li> <li>• <b>Height</b> – Up to 3 stories</li> </ul>

# Economic Incentives for Retail: Colorado Communities

Item 1.



	Timnath	Erie	Loveland	Northglenn	Berthoud
Policy or Ordinance	Enhanced sales tax incentive	Enhanced sales tax incentive	Retail development incentive	Enhanced sales tax incentive	Commercial and retail development incentive
Purpose	Economic development tool to support small business and redevelopment efforts in designated areas	New or expanding retail business	Fills or expands a retail need to bring net new sales tax, or is a redevelopment/infil l project in a defined priority area	Establishment and/or expansion of retail sales tax– generating businesses	Encourage development and redevelopment of retail and commercial properties in the central business area; fill an identified retail gap; create infill or redevelopment along the Hwy 14 Ave. corridor; or create a live-work mixed-use development

- **Retail Incentive, Two Complementary Tools**

- **Enhanced Sales Tax Incentive Program (ESTIP)**
- Large, high-impact regional projects
- Infrastructure and major redevelopment
- Long-term, performance-based

- **Simple Sales Tax Share Back**
- Neighborhood center reinvestment
- Increment-based, lighter-touch
- Shorter duration

- These tools allow the City to right-size participation based on impact to the community
- There is also potential for indirect support for neighborhood strip businesses built on an Economic Development Fund

## Guardrails & Operating Principles

- **All incentives will...**
  - Demonstrate clear public benefit
  - Be performance-based, capped, and time-limited
  - Use only new, project-generated sales tax revenue
  - Align with adopted City goals
  - Require City Council approval
- **Evaluation may include...**
  - Sales tax impact and leakage reduction
  - Alignment with 15-Minute City objectives
  - Redevelopment and adaptive reuse
  - Infrastructure efficiency and long-term public cost





- Does Council agree that the economic challenges represented should be addressed?
- Does Council support moving forward with an update of the business assistance policy?
- What other trade-offs between economic competitiveness and other strategic priorities should staff consider?

**File Attachments for Item:**

**2. Transit Oriented Communities (HB24-1313) Implementation**

The purpose of this item is to provide an update on compliance efforts related to the Transit Oriented Communities legislation (HB24-1313) passed by the State legislature in 2024 and to seek Council direction on areas of the community to designate as Transit Centers. Per the legislation, Transit Centers are locations that permit higher density development and require no public hearings for multifamily and mixed-use development. Staff is seeking to finalize the City's compliance with HB24-1313 Spring 2026 in order to enable eligibility for a grant funding opportunity for a proposed affordable housing project.

January 27, 2026

# WORK SESSION AGENDA ITEM SUMMARY

City Council



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## **STAFF**

Clay Frickey, Planning Manager  
Megan Keith, Senior Planner  
Ryan Mounce, City Planner

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## **SUBJECT FOR DISCUSSION**

### **Transit Oriented Communities (HB24-1313) Implementation**

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## **EXECUTIVE SUMMARY**

The purpose of this item is to provide an update on compliance efforts related to the Transit Oriented Communities legislation (HB24-1313) passed by the State legislature in 2024 and to seek Council direction on areas of the community to designate as Transit Centers. Per the legislation, Transit Centers are locations that permit higher density development and require no public hearings for multifamily and mixed-use development. Staff is seeking to finalize the City's compliance with HB24-1313 Spring 2026 in order to enable eligibility for a grant funding opportunity for a proposed affordable housing project.

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## **GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

1. Does Council support staff's approach on locations within the community to designate as Transit Centers?
2. Does Council support designating Transit Centers outside the Transit Oriented Development Overlay Zone?

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## **BACKGROUND / DISCUSSION**

In 2024, the Colorado Legislature passed House Bill 24-1313, Housing in Transit Oriented Communities ('TOC Bill'). As a subject jurisdiction, Fort Collins is required to demonstrate it has a transit-supportive development framework near existing or planned high frequency transit. The legislation includes implementation and reporting actions spanning several years to conduct engagement and ensure communities have adequate time to prepare any necessary zoning or code changes.

Key requirements, deadlines, and current status of the TOC Bill components include:

- Housing Opportunity Goal Preliminary Report

Subject jurisdictions must prepare and submit a Housing Opportunity Goal to the Department of Local Affairs. The Housing Opportunity Goal is calculated by multiplying 40 dwelling units per acre

by the size of Transit Areas in the community, creating an overall residential zoning capacity benchmark.

Fort Collins' State-designated Transit Areas are a quarter mile buffer on both sides of existing or planned high frequency bus routes. General locations include buffers along College Avenue, East Harmony Road, East Drake Road, West Elizabeth Street, and Centre Avenue (Attachment 1). The total size of Transit Areas in Fort Collins is 6,159 acres.



*State-Designated Transit Areas in Fort Collins*

The City is able to exempt many parcels from the Transit Area due to constraints such as designated open space, parks, utility easements, existing industrial uses, natural hazards, government or school land ownership, or reducing displacement risk for mobile home parks. Fort Collins exemptions amount to 2,779 acres, reducing the eligible Transit Area size to 3,380 acres. This results in the City's total Housing Opportunity Goal of 135,160 units (3,380 acres x 40 units per acre).

It is important to note that the Housing Opportunity Goal is only a benchmark for zoning capacity and is not a requirement or indicative of the number of dwelling units the City must construct.

This legislative requirement is complete: the City submitted its preliminary Housing Opportunity Goal in June 2025 and the report was approved and accepted by the Department of Local Affairs October 2025.

- Housing Opportunity Goal Final Report

For its Final Report to the Department of Local Affairs, the City must designate areas of the community as Transit Centers and submit modeling data demonstrating the residential zoning capacity in designated Transit Centers meets or exceeds the Housing Opportunity Goal. Additionally, the City must select and implement a variety of affordable housing and displacement mitigation strategies in anticipation of future development and redevelopment in Transit Areas.

To be designated a Transit Center, areas must be near existing or future transit routes, permit a minimum density of 15 units per acre, and allow for an administrative-only review process for multifamily projects without a requirement for neighborhood meetings or public hearings.

While many of Fort Collins' mixed-use and commercial zone districts already meet the density requirements for Transit Center designation, Land Use Code changes will be necessary to create an administrative level review process for multifamily and mixed-use development.

Staff is seeking direction from Council regarding the specific areas within the community to designate as Transit Centers. Beyond requirements for compliance with the legislation, Transit Centers will also be eligible to receive state funding for infrastructure grants and affordable housing tax credits and may be used in the future by State departments to determine eligibility for future projects, programs, and incentives.

These requirements are in-process. In addition to seeking Council direction on Transit Center designation, staff anticipates advancing Land Use Code changes in Spring 2026 to create administrative level review processes for multifamily development in Transit Center in conformance with legislative requirements. While the Final Report is due no later than December 31, 2026, staff is seeking to expedite compliance to Spring 2026 to enable a grant funding opportunity for an affordable housing project proposed in Midtown.

In late 2025, the Department of Local Affairs opened up the Transit Oriented Communities Infrastructure Grant to a pilot round of funding. The City of Fort Collins applied for grant funding for a proposed senior affordable housing project in Midtown called Switchgrass Crossing and anticipates a decision on a grant award by late January. If selected for funding, this grant would be contingent on becoming certified as a Transit Oriented Community by Spring 2026. If the City elects to designate Transit Centers or overall certification past Spring 2026 the Switchgrass Crossing project will be ineligible for pilot round grant funding.

- Zoning / Code Implementation

If Council provides direction to designate Transit Centers in other areas of the community that require additional zoning or code changes, implementation of those actions must be completed by December 31, 2027.

- Ongoing Reporting Requirements

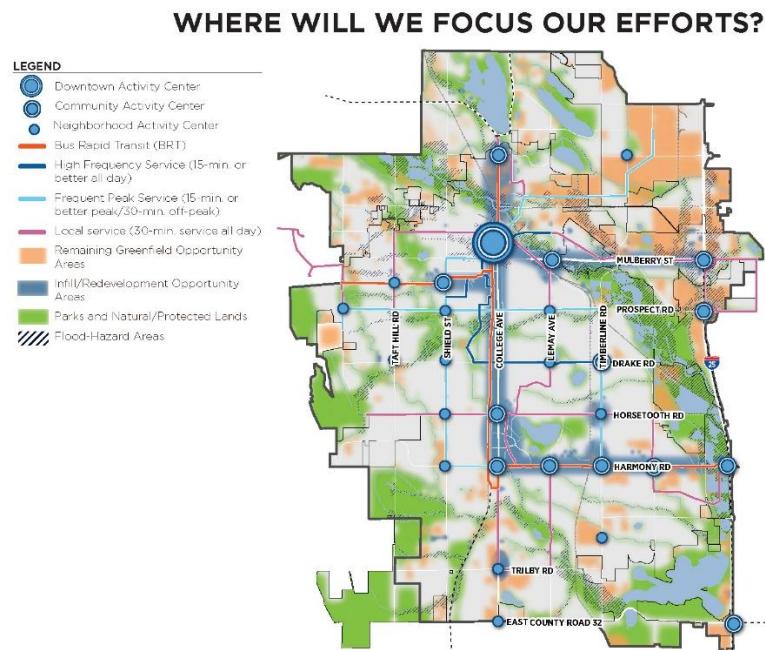
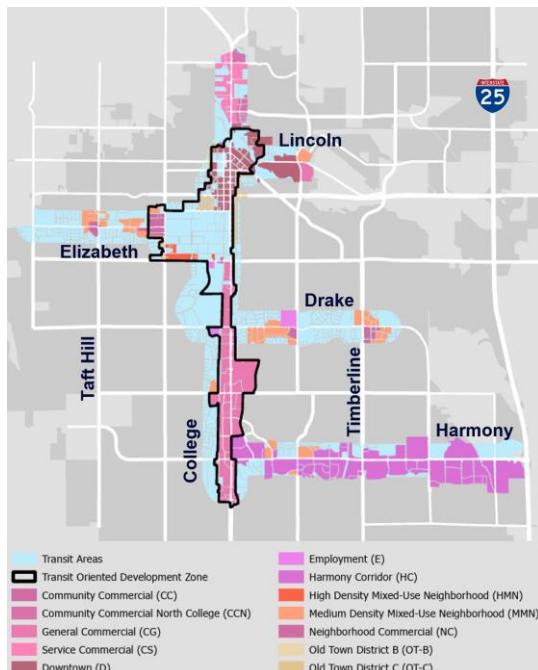
The City must prepare compliance reports to the Department of Local Affairs every three years. The first compliance report will be due in 2029.

## **Designating Transit Centers**

The next step in the compliance path for the TOC Bill is for the City to designate its Transit Centers. Per legislation, these areas need to be located within the State-designated Transit Areas along high-frequency transit routes, requires zoning that permit 15 dwelling units per acre, and has an administrative approval process in place for multifamily and mixed-use development under five acres in size. Collectively, all Transit Centers must have zoning capacity that meets or exceeds the City's Housing Opportunity Goal of

135,160 units. The City may designate Transit Centers above and beyond the minimum legislative requirement to potentially take advantage of the infrastructure grant and affordable housing tax credit opportunities associated with the legislation.

The image on the right side below is a map from City Plan titled: Where Will We Focus Our Efforts? This map depicts Activity Centers, transit lines, as well as Infill/Redevelopment Opportunity Areas shown shaded as blue emanating from certain corridors. City Plan discusses that high-frequency transit is only viable with supportive land use patterns and higher density residential, maximizing infill and redevelopment where transit service exists or is planned. Examining the City Plan map side by side with the Transit Areas with Density-Eligible Zoning map, it is evident that these areas generally overlap. There is an opportunity to align the Activity Centers designated in City Plan with the findings and strategy from the City-Wide Retail Study, including the designation of Regional and Neighborhood Nodes, as well as Neighborhood Centers.



## Transit Center Considerations

- The majority of Fort Collins' primary residential zone districts such as Low Density Residential (RL), Low Density Mixed-Use Neighborhood (LMN), and Old Town Low/Medium (OT-A, OT-B) zone districts are ineligible for Transit Center designation, as they do not meet minimum density requirements.
- The majority of Fort Collins' mixed-use, employment, and commercial zone districts, such as General Commercial (CG), Downtown (D), Employment (E), and Harmony Corridor (HC) do meet minimum density requirements.
- With the exception of two small subdistricts of the Downtown (D) zone district, no administrative-level review process exists for multifamily development in the City. As a result, any area the City designates as a Transit Center will require Land Use Code changes to meet requirements of the legislation.

## Staff Approach & Recommendation

Based on the considerations listed above, staff is recommending an approach to designate Transit Centers using only zone districts that currently meet the minimum density requirements and that are located both within the boundaries of the Transit Oriented Development (TOD) Overlay Zone and the State-designated Transit Areas. This consists of areas along the Mason BRT and College Avenue corridors as well as areas around the CSU Campus, such as Lake Street and West Elizabeth Street (Attachment 2). Zone districts

represented include General Commercial (CG), Community Commercial (CC), Employment (E), High Density Mixed-Use Neighborhood (HMN), and Downtown (D). Staff have already completed substantial modeling and analysis for these areas and determined the zoning capacity of these areas meets and exceeds the City's Housing Opportunity Goal.

As locations within the TOD Overlay Zone, these areas are already served by existing high frequency transit such as the MAX BRT Line, and routes such as 3/31 serving areas west of campus. In addition, as primarily commercial and mixed-use areas within the TOD Overlay Zone, there is strong policy and land use guidance for higher intensity development in these areas, which aligns with legislative goals and requirements to update the approval process for multifamily development to no longer require a public hearing.

### **Additional Transit Center Designations**

If Council wishes to explore additional Transit Center designations beyond the current boundaries of the TOD Overlay Zone, other potential locations could include locations listed below. Staff is presenting these areas in order of alignment with existing Fort Collins policy, land use, and transit guidance/expectations.

- 1) North College Corridor – Commercial zone districts north of Downtown support the minimum density requirements for Transit Center designation, and the corridor is identified both for an extension of BRT service in the future and the recently-adopted North College BRT Study recommends both increased density and expansion of the TOD Overlay to this portion of the community.
- 2) Centre Avenue / Harmony Road – Existing areas designated for mixed-use and employment along Centre Avenue south of the CSU Campus, as well as the majority of Harmony Road contain zoning with density standards eligible for Transit Center designation. Centre Avenue is also well-served by higher frequency transit services such as the 'Around the Horn' route, while long-term transit plans indicate future transit additions to the Harmony Road corridor.
- 3) Old Town, High (OT-C) Zoning – There are scattered pockets of OT-C zoning near CSU and Downtown within the TOD Overlay that are also eligible for designation. These areas are in close proximity to transit and community amenities. While these areas are eligible for designation, staff did not include them in the 'base' staff recommendation as these areas are intended to serve as a buffer to primarily residential neighborhoods and the existing pattern of lot sizes and adjacent neighborhood compatibility is not as conducive to large multifamily development and redevelopment.

These optional Transit Center areas can be viewed in Attachment 3. Additionally, there are other areas Council could elect to designate as Transit Centers elsewhere in the community if direction is provided to pursue changes to either zoning designations or minimum density requirements of existing zone districts. One such area is the West Elizabeth Corridor. While there are plans underway to expand Bus Rapid Transit to the far western end of this corridor, most zoning is residential in nature and does not meet minimum density requirements, nor does staff anticipate redevelopment of these primarily single-unit dwelling neighborhoods.

### **Timing, Code Changes, Engagement**

The City must designate and submit modeling data on Transit Center designations by the end of 2026 to the Department of Local Affairs. However, staff is pursuing an expedited schedule, seeking to submit modeling data and receive certification from the State by Spring 2026. This timeline will enable the City's eligibility for a pilot round grant and funding for a proposed affordable housing development in Midtown. Under this timeline, staff would move quickly to bring Land Use Code changes before Council in March or April 2026 to change multifamily development to an administrative-level review process for areas designated as Transit Centers.

For Transit Center designations using density-eligible zoning within the TOD Overlay Zone, staff would create public-facing informational updates on the change in review process required by state legislation.

For areas outside the TOD Overlay Zone, Spring certification does not allow for robust engagement in areas of the community where a Transit Center designation and change in review process may represent a more significant change to current development conditions.

Designating Transit Centers outside the TOD Overlay Zone could be an additional task throughout 2026 while establishing a 'base' designation within the TOD Overlay Zone in Spring that still enables a timeline for pilot round grant funding.

One additional consideration on the designation of Transit Centers and the administrative-level review process relates to affordable housing. Staff are aware that some projects propose inclusion of affordable housing because doing so allows the project to go through the City's Basic Development Review (BDR) process. BDR's require quick review times and are approved by the Planning and Development Services Department Director, rather than by a Hearing Officer or the Planning and Zoning Commission. Having a project follow this review path is often an incentive to include affordable units within the project. In areas designated as Transit Centers, this incentive is diminished because all projects will have an expedited review process. While this may not have a significant impact, it may influence whether some projects include an affordable housing component.

## **NEXT STEPS**

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Based on Council direction, staff will continue finalizing modeling data for Transit Centers and begin the reporting and certification process with the Department of Local Affairs. Pursuing a Spring 2026 certification timeline, staff will also be conducting community engagement and notifications on proposed Code changes leading up to potential adoption hearings with the Planning & Zoning Commission and City Council in February, March and April 2026.

Council direction during this work session will also continue to guide ongoing work on the Commercial Corridors and Centers Land Use Code updates. Staff anticipate exploring options to consolidate the City's commercial zone districts. Previous feedback from City Council has focused on reducing complexity where possible and this effort to examine commercial zone districts is a continuation of that work. This exercise will also be aligned with the findings of the Retail Study and will ultimately help ensure that commercial zone districts are delivering the outcomes that the City's policy plans call for. Staff will be scheduling a separate work session in the short term to discuss anticipated future Land Use Code updates.

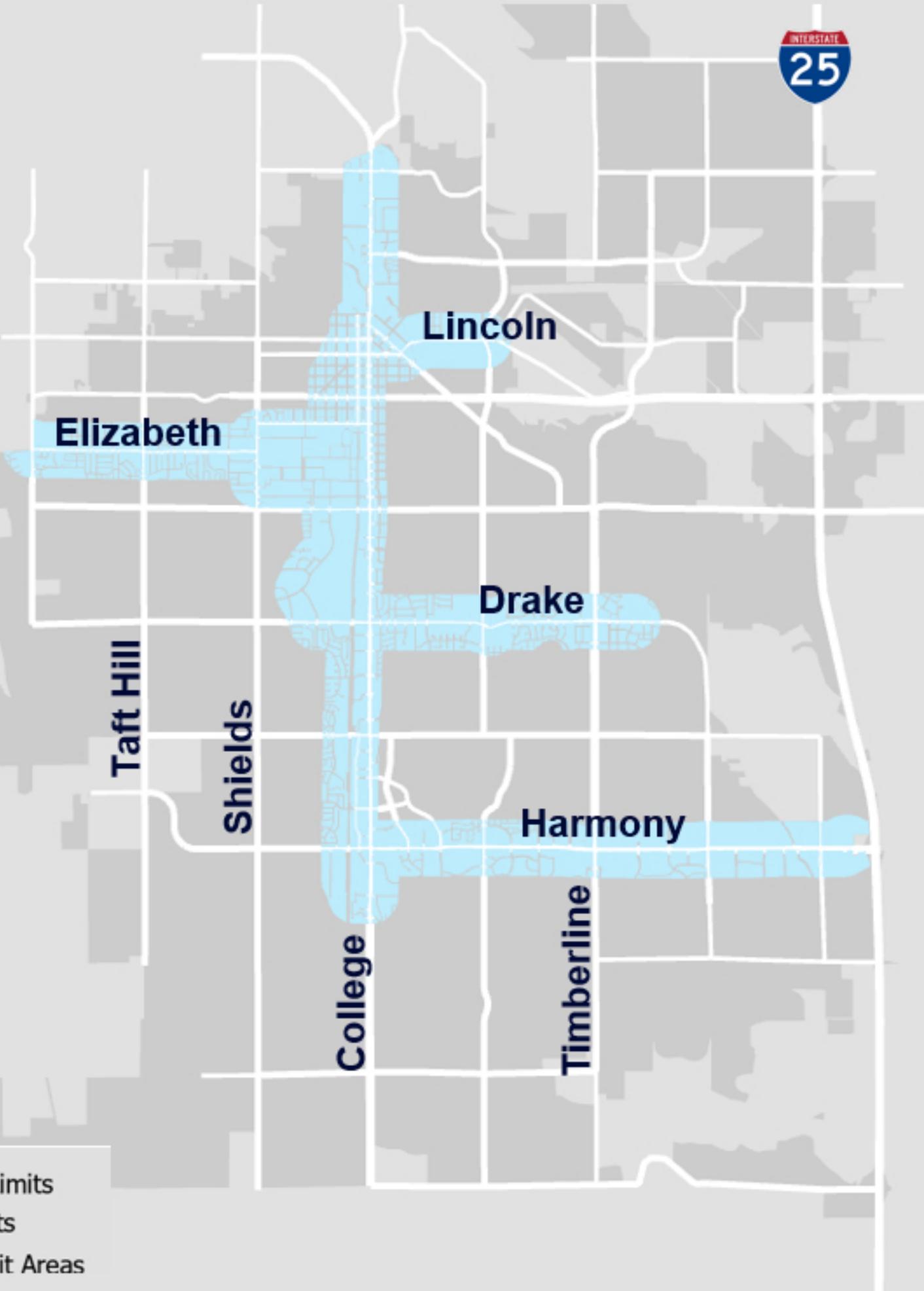
## **ATTACHMENTS**

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1. Fort Collins Transit Areas
2. City Plan Map: "Where Will We Focus Our Efforts?"
3. Eligible Transit Center Zoning within TOD Overlay
4. Optional Transit Center Designation Areas
5. Presentation

# Fort Collins Transit Areas

Item 2.

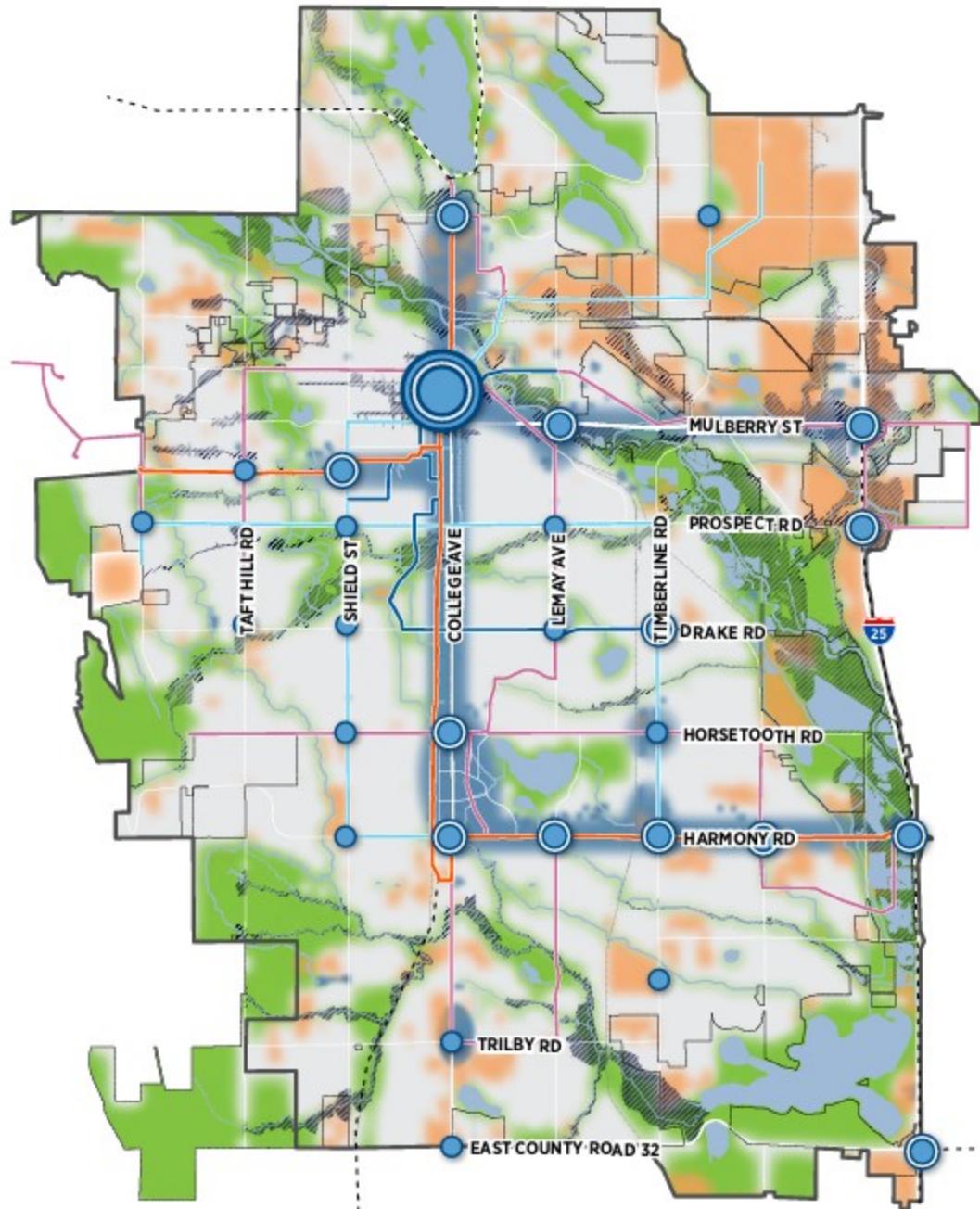


# WHERE WILL WE FOCUS OUR EFFORTS?

Item 2.

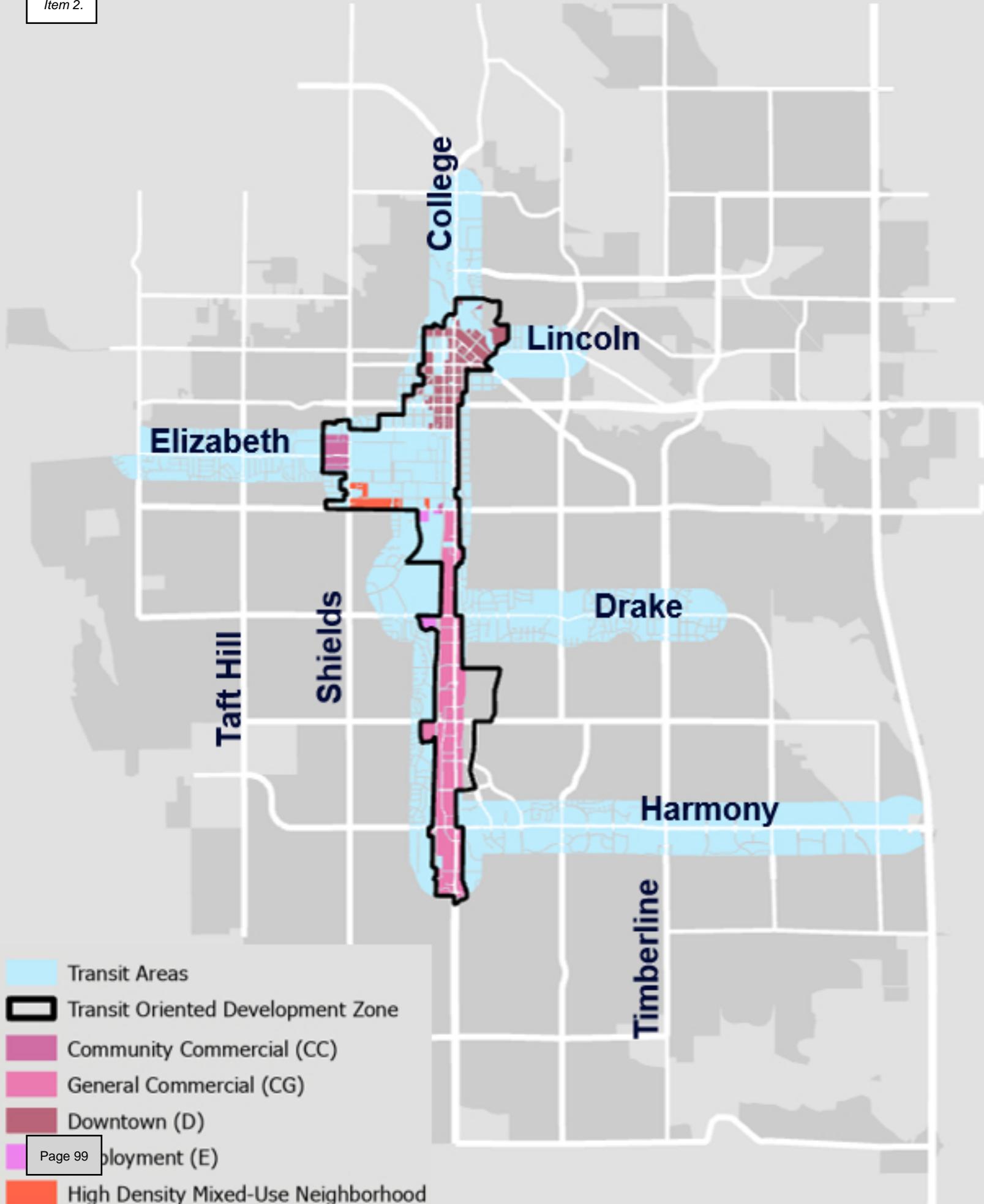
## LEGEND

- Downtown Activity Center
- Community Activity Center
- Neighborhood Activity Center
- Bus Rapid Transit (BRT)
- High Frequency Service (15-min. or better all day)
- Frequent Peak Service (15-min. or better peak/30-min. off-peak)
- Local service (30-min. service all day)
- Remaining Greenfield Opportunity Areas
- Infill/Redevelopment Opportunity Areas
- Parks and Natural/Protected Lands
- Flood-Hazard Areas



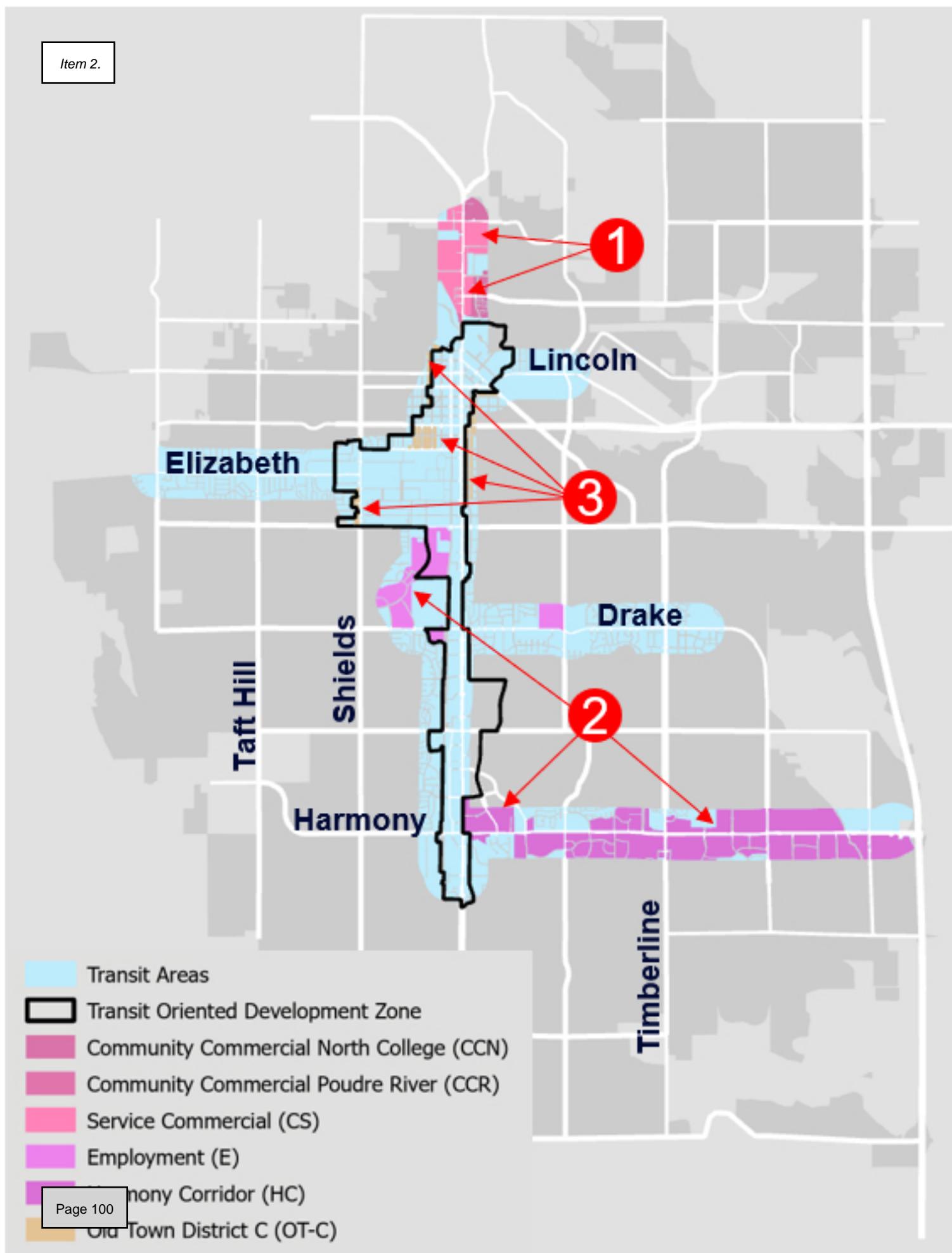
# Transit Center Eligible Zoning within TOD Overlay

Item 2.



## Optional Transit Center Designations:

- 1) Commercial Zoning along North College Alignment with North College BRT Study
- 2) Employment (E) & Harmony Corridor (HC) Zoning in Eligible Transit Areas outside TOD Employment Areas along Centre Avenue & Harmony Road
- 3) Old Town – High (OT-C) within/near TOD Overlay Eligible zoning along high frequency routes near CSU / Downtown





## Adapting to a Changing Regional Role: An Integrated, Proactive Approach to Economic Health

### Transit Oriented Communities

Megan Keith, Senior City Planner  
Ryan Mounce, City Planner

Does Council support staff's approach on locations within the community to designate as Transit Centers?

Does Council support designating Transit Centers outside the Transit Oriented Development Overlay Zone?

## HB24-1313 Housing in Transit-Oriented Communities ('TOC Bill')

State legislation passed in 2024 to promote housing development opportunities near existing or planned high-frequency transit. Key requirements:

- **Develop a Housing Opportunity Goal**

Benchmark for dwelling unit capacity based on the size of State-designated Transit Areas. Transit Areas are locations near rail stations and high-frequency transit corridors.

- **Designate Transit Centers**

Select locations near high frequency transit with zoning capacity that meets or exceeds the Housing Opportunity Goal. Transit Centers require minimum densities and administrative review process.

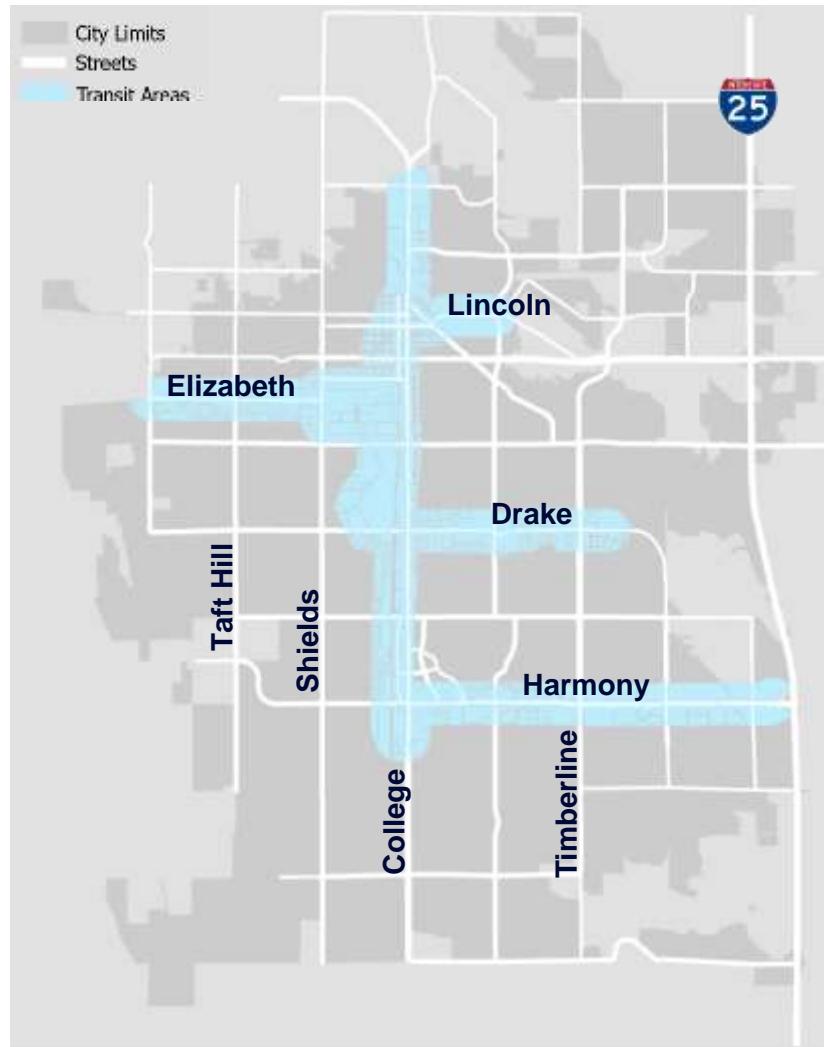
- **Housing Affordability / Displacement Mitigation Strategies**

Implement various strategies to address affordable housing and displacement risk.

- **Ongoing Reporting**

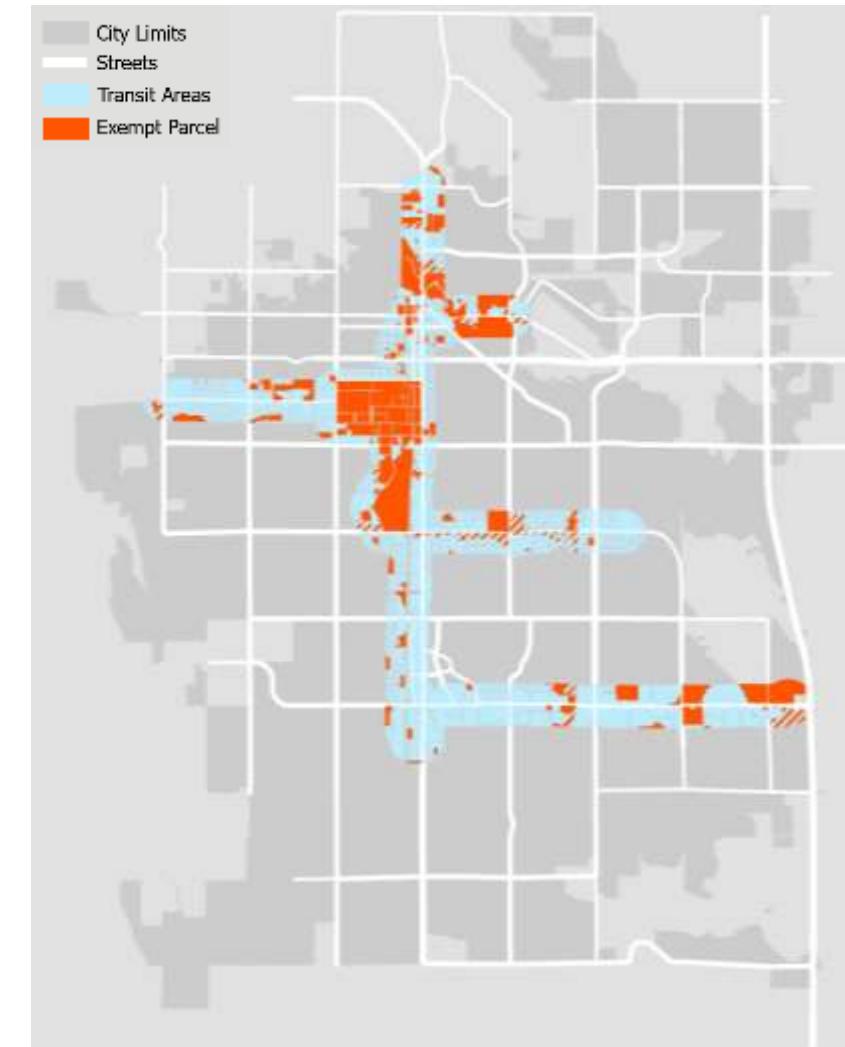
Compliance reports to Department of Local Affairs every three years.

# Sensitized: Fort Collins Transit Areas



**Transit Areas**  
acres

Page 104



**Transit Areas after exemptions**  
3,380 acres

## Exemptions:

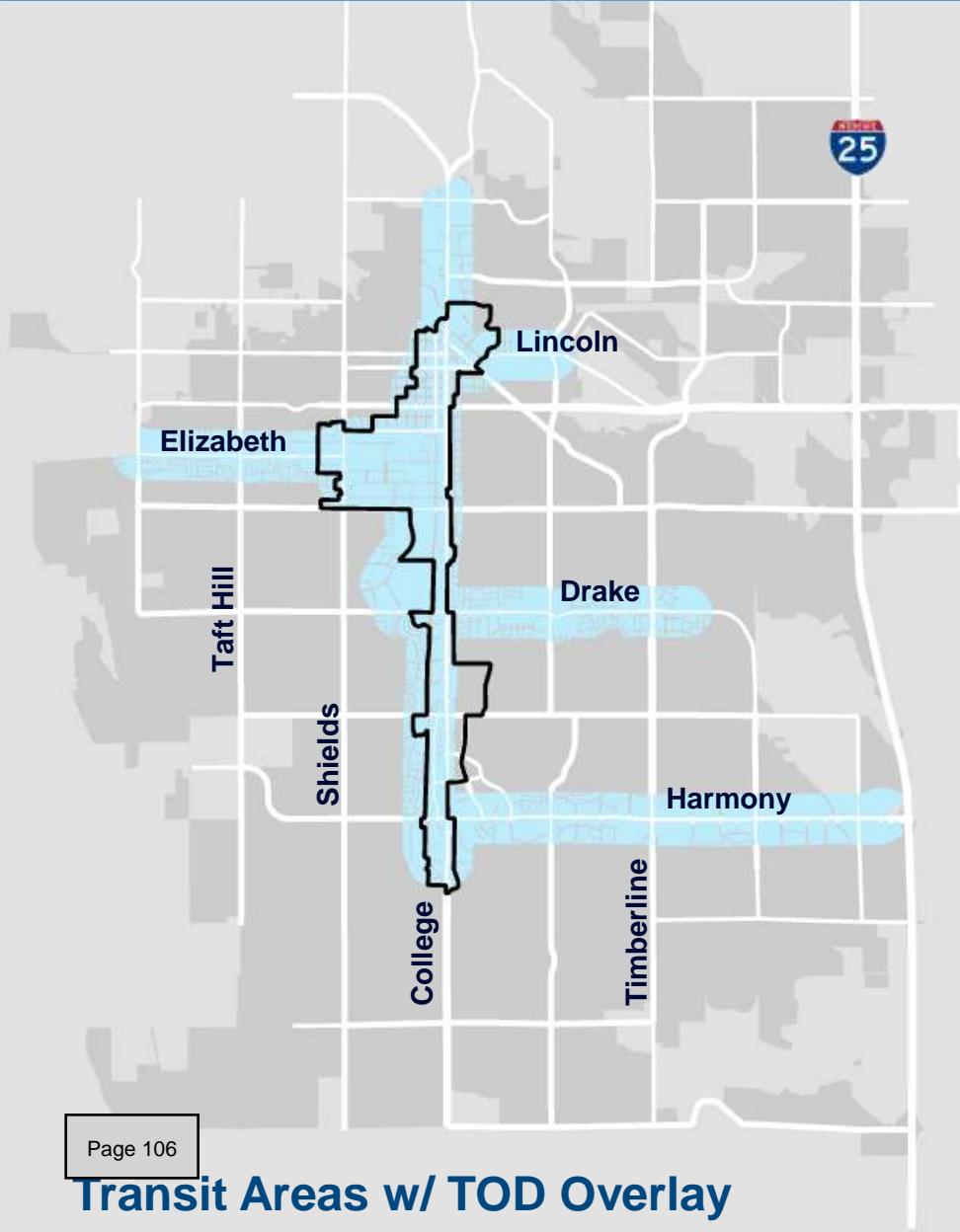
- Parks
- Schools
- Government-Owned Property
- Cemeteries
- Mobile Home Parks
- Natural Hazards
- Natural Areas
- Conservation Easements
- Utility Easements
- Industrial Uses
- Lack of Utility Infrastructure/Resources

Total exemption size: 2,779 acres

## Fort Collins Housing Opportunity Goal: 135,160 units

3,380 acres x 40 dwelling units per acre

- Housing Opportunity Goal is a benchmark for zoning capacity, not a requirement for the number of new dwelling units.
- Legislative research indicates the number of units built corresponds to approximately 10% of zoning capacity.
- Fort Collins' Housing Opportunity Goal may amount to 13,500 new & existing units over time.



## Transit Centers

TOC Bill requires the City to designate portions of the community as Transit Centers. In total, all Transit Centers must have zoning capacity equal to or exceeding the Housing Opportunity Goal. Transit Centers also require:

- **Location** – Within  $\frac{1}{2}$  mile of a rail station and/or  $\frac{1}{4}$  mile buffer of bus routes
- **Minimum Density** – 15 dwelling units per acre
- **Approval Process** – Administrative review for multifamily development (no neighborhood meeting or public hearing required)

## Transit Centers Opportunities

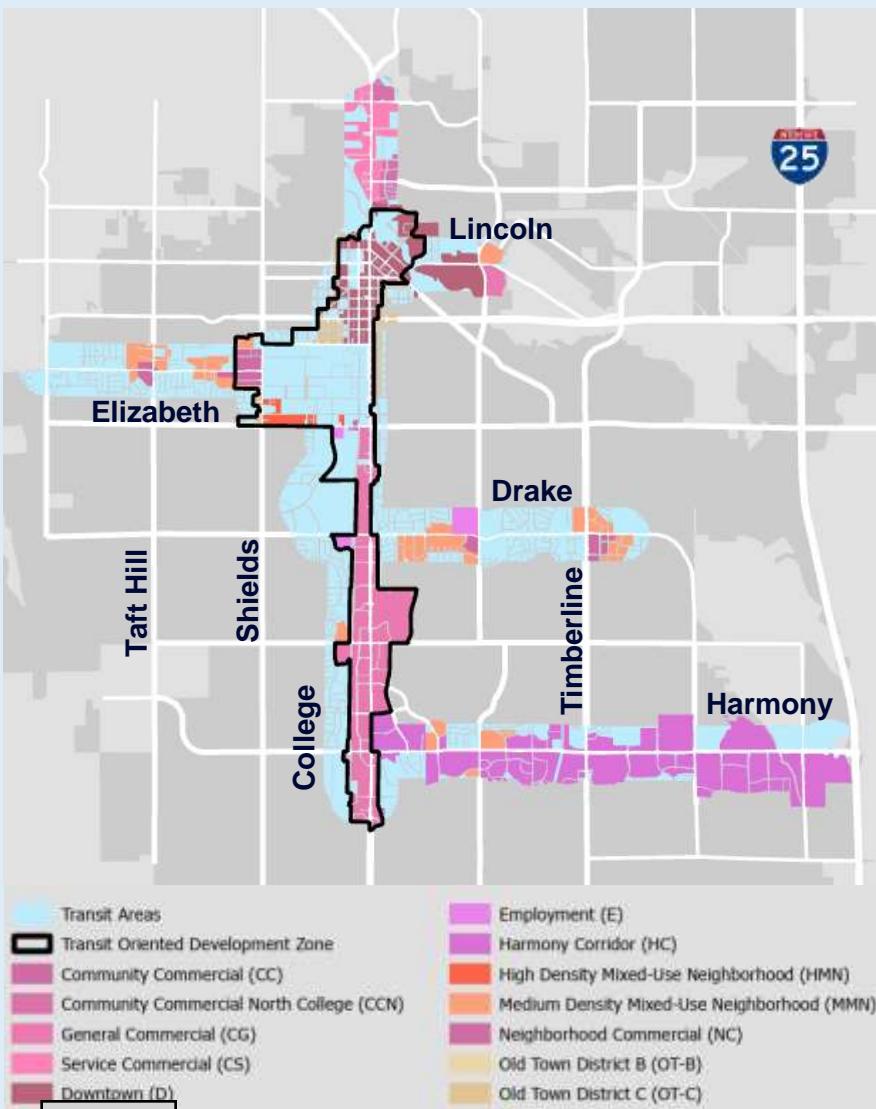
Beyond legislative requirements, Transit Centers enable funding opportunities for infrastructure and affordable housing:

- Transit Oriented Communities Infrastructure Grant \*
- Transit Oriented Communities Tax Credit for affordable housing

Designated Transit Center may also be used by State agencies to determine eligibility for future projects, programs, and incentives.

\* Spring 2026 TOC certification enables grant opportunity for a proposed affordable housing project in Midtown





### Density-Eligible Zoning within TOD Overlay Zone:

General Commercial [CG]  
 Community Commercial [CC]  
 Downtown [D]  
 High Density Mixed-Use Neighborhood [HMN]  
 Old Town, High [OTC]

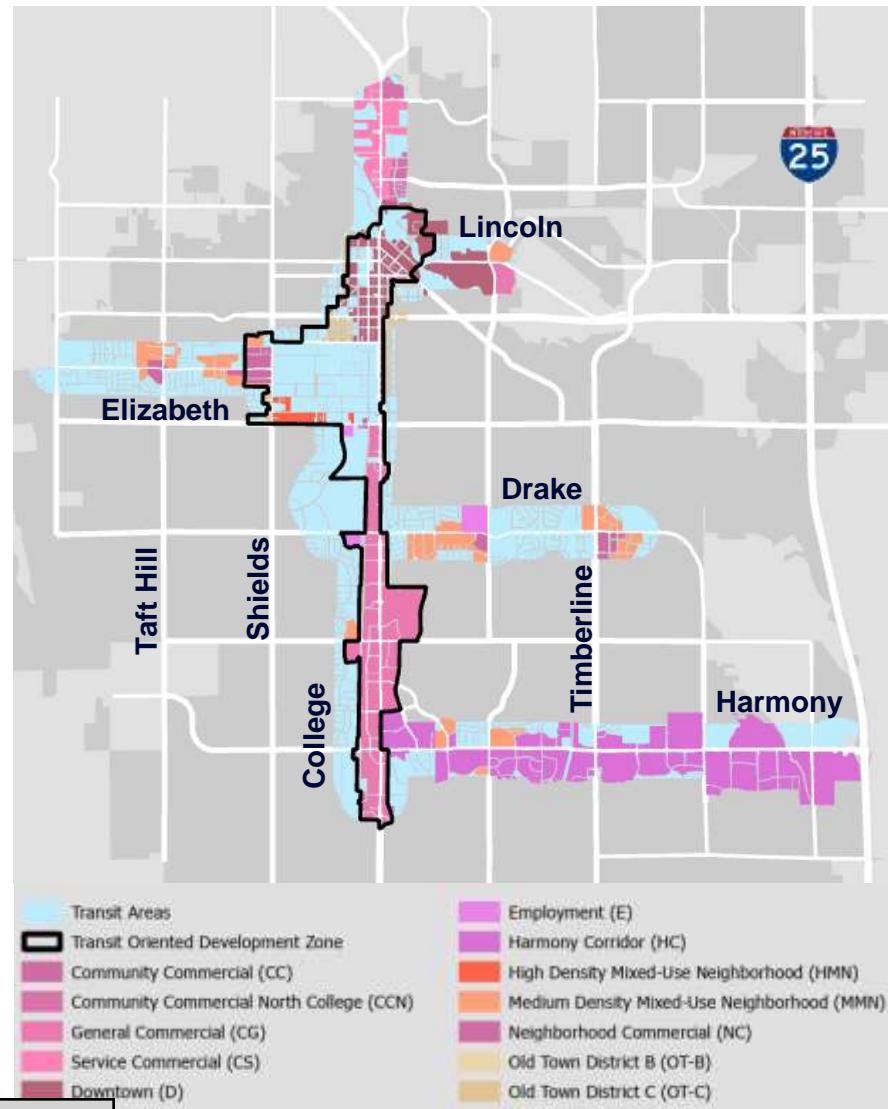
### Other Density-Eligible Zoning outside TOD Overlay Zone:

Employment [E]  
 Neighborhood Commercial [NC]  
 Harmony Corridor [HC]  
 Medium Density Mixed-Use Neighborhood [MMN]  
 Community Commercial, North College [CCN]  
 Service Commercial [CS]

## Fort Collins Zoning – Eligibility as Transit Centers

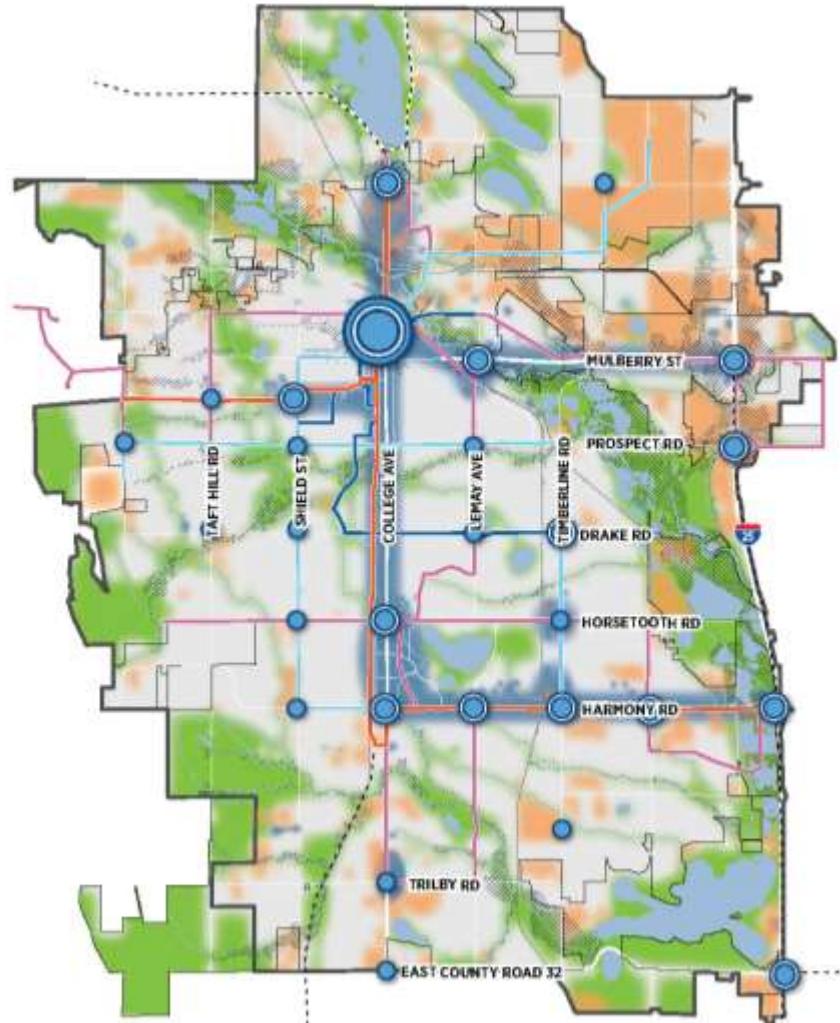
- Most residential zoning **does not** meet minimum density threshold (15 units/acre)
- Most commercial and mixed-use zoning **does** meet minimum density threshold
- All zoning except two Downtown subdistricts do not meet administrative approval requirement
- Land Use Code changes are necessary to allow administrative review where Transit Centers are designated.

# signating Transit Centers



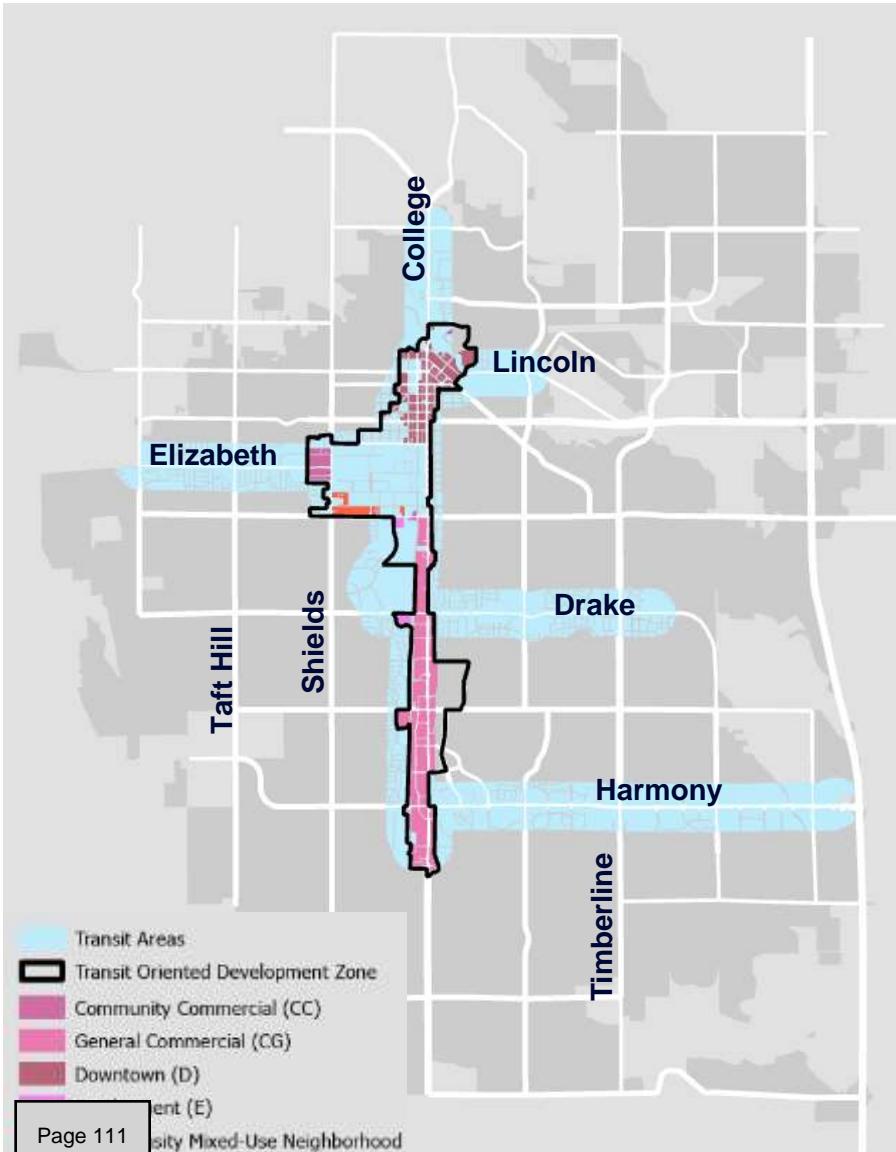
## LEGEND

- Downtown Activity Center
- Community Activity Center
- Neighborhood Activity Center
- Bus Rapid Transit (BRT)
- High Frequency Service (15-min. or better all day)
- Frequent Peak Service (15-min. or better peak/30-min. off-peak)
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- Remaining Greenfield Opportunity Areas
- Infill/Redevelopment Opportunity Areas
- Parks and Natural/Protected Lands
- Flood-Hazard Areas





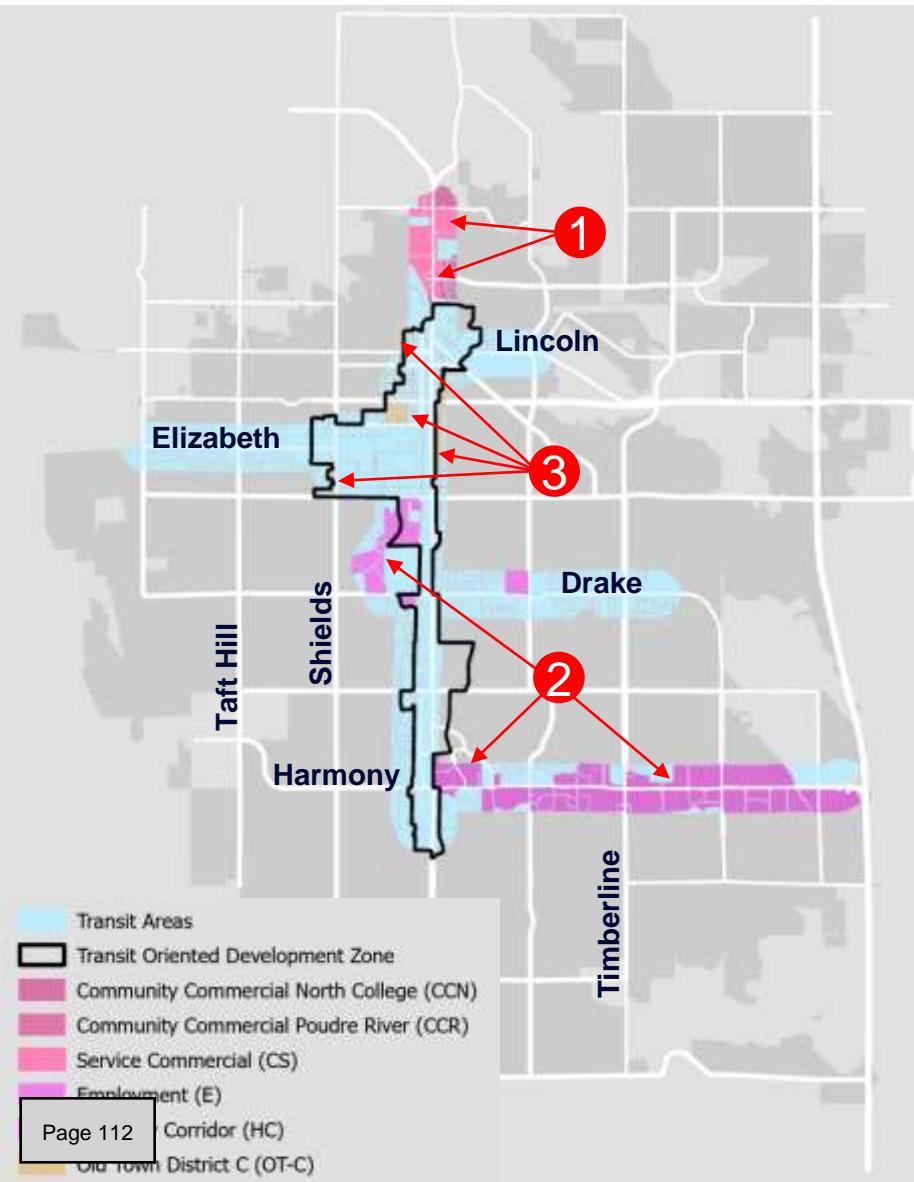
# Break for Clarification Questions



## Utilize Existing Zoning inside TOD Overlay

Housing Opportunity Goal zoning capacity can be met by designating Transit Centers within the TOD using the following zone districts:

- Community Commercial (CC)
- General Commercial (CG)
- Downtown (D)
- Employment (E)
- High Density Mixed-Use Neighborhood (HMN)



## Additional Transit Center Designation Options:

- 1) Commercial Zoning along North College Alignment with North College BRT Study
- 2) Employment (E) & Harmony Corridor (HC) Zoning in Eligible Transit Areas outside TOD Employment Areas along Centre Avenue & Harmony Road
- 3) Old Town – High (OT-C) within/near TOD Overlay Eligible zoning along high frequency routes near CSU / Downtown

Designating extra Transit Centers creates additional opportunities for competitive grant funding while reducing direct public participation in the development review process for multifamily development.

Designate Transit Centers within TOD Overlay (Staff Recommendation)				
Certification Timeline	Engagement Needs	Policy Alignment	Grant Eligible in 2026?	Grant Eligible in 2027?
Spring 2026	Minor	Strong	Yes	Yes

Additional Options for Transit Center Designations				
Certification Timeline	Engagement Needs	Policy Alignment	Grant Eligible in 2026?	Grant Eligible in 2027?
1 North College	December 2026	Moderate	Strong	No
2 Centre & Harmony Corridors	December 2026	Major	Moderate	No
3 OT-C Near downtown	December 2026	Major	Moderate / Low	No

# Transit Center Implementation Timeline



Task	Timeframe
Finalize Transit Center Locations & Modeling	February
Amend Land Use Code *	February - April
<ul style="list-style-type: none"><li>▪ Outreach</li><li>▪ P&amp;Z Recommendation</li><li>▪ City Council Adoption Hearings</li></ul>	February & March February 19 March & April
Submit Final TOC Report & Model Data *	April
TOC Certification *	April
Ongoing Reporting	Every 3 years

\* Spring 2026 certification to enable grant opportunity for an affordable housing project.

If desired, timeline could be pushed back to mid or late 2026 (must be designated by end of 2026), foregoing grant opportunity.

## Other Upcoming Related Work



- Continuation of Commercial Corridors and Centers Land Use Code Updates:
  1. Commercial Zone District Consolidation
  2. Ongoing work on Article 5 of the Land Use Code

Does Council support staff's approach on locations within the community to designate as Transit Centers?

Does Council support designating Transit Centers outside the Transit Oriented Development Overlay Zone?



# Thank you!