

Fort Collins area ranks third for business Forbes cites educated work force, cost of living as reasons for high ranking

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By Pat Ferrier

The Fort Collins area is a great place to do business: Just ask Forbes magazine.

With an educated workforce, solid labor supply, steady job growth and a cost of living that's below the national average, the Fort Collins/Loveland area ranked third on Forbes' 2008 Top 10 Places for Business and Careers. That's up 25 spots from last year's 28th-place ranking. It's the latest in a long list of accolades for the city that was named Best Place to Live two years ago by Money magazine.

Forbes' rankings are data-driven, including business cost index, which takes into account labor, tax energy and office space costs; cost of living including housing, transportation, food and other household expenses; job and income growth; educational attainment; labor supply; crime, culture, recreation and the presence of a four-year college.

Two things drove Fort Collins' big jump, said list editor Kurt Badenhausen of Forbes. Household income growth the last five years averaged 5.5 percent and last year's cost of living was 9 percent below the national average, he said. The region also benefits from the presence of Colorado State University and its proximity to Denver and Boulder.

CSU, the area's largest employer, is "a big reason why 40 percent of residents have a college degree, the sixth highest rate in the country," Badenhausen wrote on Forbes' Web site.

"Fort Collins also benefits from strong income growth and business costs well below other Colorado locales like Boulder and Denver," he wrote.

While Fort Collins has topped its share of lists, Forbes intends its ranking to be used as much by companies seeking to relocate as for community bragging rights.

"It's for companies to say, 'Wow' Fort Collins is a place we should consider for our business. There's a very educated workforce and low business costs."

The list is validation of the city's economic vision of promoting a healthy economy that fits with the values of the community, said Mayor Doug Hutchinson. "It gives us perhaps more choices of having the kind of economic activity that fits Fort Collins," he said.

The rankings do not address business friendliness, however, often the biggest frustration for companies who complain it takes too long to get through the approval process. The city has made several changes over the past few years to become more business friendly and speed up the project approval time, said City Councilman Ben Manvel, a retired CSU math professor.

"We've been working really hard to be friendly to business and we hope in the long term that will pay off," he said.

He said he hopes the ranking puts an "extra bounce" in residents' steps and brightens spirits during hard economic times.

Colorado Springs, ranked 16th, was the only other Colorado city to make Forbes' top 20. Denver ranked 31, Greeley, 57 and Boulder, with the highest educational attainment on the list, finished 77th on the top 100.

The ranking is a huge bonus for the region, said Kevin Brinkman of Brinkman Partners, a real estate development group. "We can all talk about how great we are, but it's great to have it from a credible source," he said. "It's huge." A ranking from Forbes magazine or Money won't make companies move here, but it will get them to look twice at the region, Brinkman said.

"They all do national searches, so when you have one of these things, it gets them in the door to look deeper. ... It's great to get in the conversation."

For those who say rankings like these bring more growth and interest, Manvel said there's little correlation between growth increases and top rankings.

"Natural growth is probably everything people want, but there isn't a really big numerical effect on growth," he said. "I hope this makes people feel good, but I would be just as happy if it doesn't increase our growth rate by 1 percent. Frankly, people know Fort Collins. How many lists do we need to be on?"

Growth that brings high paying primary jobs, such as Intel and AMD on Harmony Road, are welcome additions to the region, but "for people who just want to lay out subdivisions and expand Fort Collins beyond its growth management area, I say we've decided on a pretty nice size and infill redevelopment will take us where we need to go."

As an economic recruiting tool, it goes a long way, added Maury Dobbie, chief executive officer of Northern Colorado Economic Development Corp.

"It's also a great pride-giver to the region with all the negative stuff happening in the economy; we should all remember what good things we have going on," she said. "This is a good indication we are doing something right."