ECONOMIC SUSTAINABILITY STRATEGY

Adopted by City Council 10-29-13
Boulder’s highly educated workforce, superb quality of life, high concentration of companies in growing industries, and synergies with the University of Colorado and 14 federal labs are the foundation of its economic success. The city attracts talented entrepreneurs who have created a unique business community focused on cutting edge innovation and vision, earning Boulder recognition as one of the nation’s best cities for start ups in 2013. In fact, Richard Florida, author of The Rise of the Creative Class, named Boulder the most creative city in the U.S. in 2012 based on a detailed analysis of how more than 350 metro areas ranked in technology (new ideas, inventions, high-tech companies), talent (skilled, ambitious individuals), and tolerance (non-judgmental, open-minded).

This success didn’t just happen—many ingredients came together to support Boulder’s economic vitality. However, in terms of city-led efforts, many of the most important actions were not undertaken to promote economic development. On the contrary, many were initiated in response to growth pressures and the sense that the community’s unique sense of place and quality of life would otherwise be lost. But, from preserving open space to protecting historic buildings in the downtown, many of those same actions have played a significant role in securing Boulder’s current economic success. The uniqueness of place, compactness, connectedness and recreational amenities—combined with the innovation engines of CU and the labs—have helped attract and retain a talented and entrepreneurial workforce, fostering the growth of leading edge companies across a range of key industries.

Since 2003, Boulder has had an economic vitality program aimed at working with community partners to create and sustain a favorable business climate. The program focuses in particular on the needs of primary employers—those that are the primary drivers of the city’s economic health—helping to ensure that they are supported in their desire to be a growing and continuing part of Boulder’s economy and community life. While the city does not focus on business attraction, it has become more proactive in working with partners to understand the needs of employers and respond accordingly. Two Economic Vitality programs—the Flexible Rebates program and Microloan program—are examples of how the city has responded to identified needs.

But while Boulder is fortunate to enjoy economic success today, challenges are on the horizon. The cost and lack of office space that meets contemporary standards; limited opportunities for home-grown businesses to remain in Boulder as their space needs change; and the impact of housing costs on employee retention are often cited as challenges that could impede Boulder’s future economic vitality. Developing a more strategic approach to economic vitality can help respond to today’s challenges and help ensure continued economic success in the future.
Creating an Economic Sustainability Strategy

The Economic Sustainability Strategy (ESS) is an integrated, cross-cutting approach to Boulder's continued economic vitality. This strategy is not a typical economic development approach, but will support the city's economic vitality by building on its strengths and addressing challenges. This strategy is based on simultaneously maintaining and enhancing the existing community of businesses while also positioning Boulder to grow new segments of its economy associated with larger economic, environmental and social trends. The strategy is focused on Boulder's primary employers. While the retail base cannot be ignored as a significant part of our economic vitality, it is not a focus of this strategy.

Use of the term “economic sustainability” instead of “economic development” or even “economic vitality” reflects two key tenets. First, economic sustainability focuses on long-term conditions and outcomes, with a critical look at how current and anticipated issues and trends may affect the community's future economic vitality. It identifies near- and long-term strategies and actions that can help ensure success over time. Second, the application of a comprehensive “sustainability lens” acknowledges that efforts to ensure and enhance economic vitality must be approached and implemented in conjunction with the environmental, social and cultural qualities that are the foundation of Boulder's long-term health and quality of life.

This recognition now includes the acknowledgement that significant and far reaching changes are taking place in climatic systems that are having impacts both globally and locally. These impacts are leading to changes in international, national and state policies that will likely influence both regulatory and market activities. Part of Boulder's economic sustainability strategy is to prepare our community and our businesses to be able to both minimize the impacts of these changes as well as position Boulder as a leader in the emerging market for technical, technological and social innovations, which is an essential element in the orientation of Boulder's new Climate Commitment strategy.

How Will the Economic Sustainability Strategy Be Used?

The Economic Sustainability Strategy is the key tool to implement the Economic Vitality strategy area of the city's Sustainability Framework. The Sustainability Framework is based on the goals and policies of the Boulder Valley Comprehensive Plan and the city's priority based budgeting process and is used to assess and evaluate plans and programs against the desired outcomes defined by City Council and community. In many cases, priority strategies will be implemented by, integrated with or used to inform other city priorities and processes. For example, the
need for expanded workforce housing opportunities is identified in the Economic Sustainability Strategy as an important need for Boulder's primary employers, and the community's long-term economic health, with that priority being implemented through the Comprehensive Housing Strategy work effort already underway. Identifying the strategic priority in the Economic Sustainability Strategy helps underscore the importance of affordable housing to Boulder's economy, and will help ensure that the economic impacts of housing decisions are given due weight in the housing strategy development process.

Implementation of the Economic Sustainability Strategy will rely on both the city and community partners, including businesses, institutions, commercial property owners and non-profit organizations that work with businesses. While the city plays a central role in the development of "place" (through planning, investment and regulation) as well as in "process" (balancing community perspectives and priorities in the review and approval of new development), those approaches alone will not achieve the vision. Leveraging community assets is critical to maintaining a strong and diverse economy, and many actions surrounding people, workforce, training and collaboration require leadership by community partners.

The Economic Sustainability Strategy is a strategy, not a plan. It is a living document designed to be a flexible tool with actions that are updated annually as community needs and priorities change. It will be regularly evaluated through informal and formal (surveys, focus groups, etc.) feedback to ensure that actions are achieving desired results.

A “place-based” approach to economic sustainability seeks to create vibrant, amenity-rich business districts that vary in their focus and intensity and provide environments that support key industry clusters, retain talented workers and enhance a unique and sustainable “Boulder” quality of life. Each area of the city is different and a place-based approach looks at Boulder’s various employment areas to identify desired change and then develop tailored strategies and actions for achieving that change.
ECONOMIC SUSTAINABILITY STRATEGY VISION

Boulder will continue to be recognized throughout the world as a city where employers and employees innovate, create, and thrive in a manner consistent with Boulder’s environmental and social values.

To achieve this vision, the city and its partners will focus on strategies and actions in three inter-related categories:

- **PEOPLE** – workforce, quality of life and social issues
- **PLACE** – physical environment (infrastructure, amenities, buildings)
- **PROCESS** – ease of doing businesses (city processes, programs, codes and procedures)

Strategies describe how the city can best respond to issues raised in the 2012 Primary Employer Study and other research conducted by the city while furthering the Economic Sustainability Strategy vision and the goals articulated in the Boulder Valley Comprehensive Plan (BVCP). The strategies are based on a “place-based” approach to economic vitality, improving city codes and process and addressing broader policy issues.

Action items identify how strategies will be implemented. Some actions can be accomplished by the city through improvements in internal processes and procedures. Others involve coordination with external stakeholders or require further analysis, particularly when an issue to be addressed may lead to policy changes or major program additions or enhancements. Action items are categorized as priority actions to be completed in 2014 or longer term actions that may begin in 2014 but be completed at a later date.

BOULDER’S ECONOMY

Boulder is a highly desirable place to work, live, and play. The city is an important employment center for the area and has a diverse and healthy economy. Boulder businesses represent a wide variety of industries and the city has a high concentration of aerospace, bio-science, clean tech, data storage, digital media, natural and organic products, outdoor recreation and software companies. While the majority of the city’s employers are small businesses, several Fortune 300 corporations have a presence in Boulder. This diversity has contributed to the city’s economic vitality and helped mitigate effects of recent economic downturns.

Many people choose to work or live in Boulder because of its high quality of life, sense of place and extensive amenities. Boulder boasts hundreds of miles of bike and walking trails, excellent bus service, easy access to open space and the mountain backdrop, numerous and varied art, cultural, dining, entertainment and shopping options, excellent schools, and high quality healthcare. These community characteristics have created a strategic economic advantage that is difficult to replicate, but requires careful consideration and planning to ensure its viability into the future.

Boulder is a land-constrained, compact community by design, reflecting the city’s commitment to a sustainable urban form while protecting the area’s scenic beauty, open space and recreational opportunities. With relatively little undeveloped land available for commercial development, the city is strategic about economic vitality. Boulder’s economic sustainability efforts recognize the importance of jobs already in the city; and business retention and support for homegrown companies is a priority. While the Economic Sustainability Strategy is intended to help implement the results of the 2012 Primary Employer Study, Boulder’s economic sustainability is much broader. Economic sustainability also results from the unique mix of a successful and healthy tourist industry, partnerships with universities and federal laboratories, and many arts, cultural, entertainment and retail options. The city

Twisted Pine Brewing Company’s newly expanded ale house and outdoor deck
also recognizes the importance of the primary employers that make up the core of the local economy. Primary employers are defined by city ordinance as:

A business or organization of any number of employees that generates more than 50 percent of its revenues from activities outside of Boulder County, and shall include, but is not limited to those facilities of such business and organization devoted to manufacturing, research and development, data processing, telecommunications and publishing, but shall not include hotels, motels, retailers, or food service facilities.

Primary employers bring new money into the local economy, support secondary employers (restaurants, printers, banks, etc.) and pay substantial property taxes, sales and use taxes and permit and development fees to the city. Many of the city’s economic vitality efforts, including business outreach and assistance, a flexible rebate program and a microloan program, have focused on primary employers.

In 2012, city staff, along with the University of Colorado Leeds Business Research Division and the Boulder Economic Council, conducted a primary employer study identifying the issues, trends and needs of Boulder’s primary employers relative to the city’s existing industrial and commercial space.

Key findings from the 2012 Primary Employer Study include:

- Boulder has approximately 554 primary employers
  8.2% of all Boulder employers
- Boulder’s primary employers employ an estimated 26,059 individuals
  29% of all individuals employed in Boulder (excluding self-employed)
- Boulder’s primary employers occupy approximately:
  538 commercial buildings (29% of all commercial buildings in city)
  7.5 million square feet of commercial space (35% of total)
- Primary employers are concentrated in three main areas:
  East Boulder (44%), Gunbarrel (15%) and Downtown (15%).
- A significant number of primary employers expect to expand in the next few years and many anticipate needing more space and moving to a new location.

The four key issues identified in the Primary Employer Study were:

1. Availability of suitable space for expansion
2. Lack of flexibility in allowed uses
3. High cost of land / cost of doing business
4. Lack of amenities in some areas of the city
Boulder has a well educated, highly skilled and creative workforce. The city has the nation’s highest percentage of college graduates and a very high concentration of individuals employed in scientific and technical occupations including aerospace engineers, architects, biochemists, environmental scientists and software developers. This high concentration of talent reflects the presence of the University of Colorado at Boulder, federal labs, and technology-intensive industries which draw companies and entrepreneurs from around the world.

Boulder’s workforce draws from several key sources. The desirability of Boulder’s quality of life and a collaborative and supportive business climate has attracted people with world-class talent and skills for many decades, and the workforce includes many who chose Boulder as a place to live and found a job here. The innovation economy workforce also includes technically trained and “creative class” workers drawn to growing Boulder companies, residents who grew up and remained in Boulder and University of Colorado and other area college graduates who find work and careers in the city. City-wide, inflation-adjusted median income has decreased for Boulder households since 2000. Poverty rates and other negative economic indicators are increasing among certain populations (e.g. Latino residents, seniors, children).

Photos from left to right: Etrex, Rally Software (photo courtesy of Don Cudney), Populus

Upslope Brewing’s Founder Matt Cutter, Director of Sales and Marketing Henry Wood, and Director of Brewing Operations Danny Pikes. In 2012, Upslope opened a new brewery and taproom in Flatiron Park in East Boulder.
ISSUES & CHALLENGES

1 An educated, creative and productive workforce has always been vital to Boulder’s economic prosperity, and will be even more so in the future as other communities, other states, even other nations cultivate the education, creativity and productivity of their workforces. Workforce training and high quality education needs to be a focus, especially in the Science, Technology, Education and Math (STEM) fields.

2 Boulder’s workforce is drawn to employment areas with a wide variety of amenities, uses, and services (e.g. restaurants, retail), recreational amenities, the arts, and increased walkability to public transportation, bicycle, and pedestrian facilities. East Boulder and Gunbarrel are primary employment centers that lack the same diversity of amenities that are available to downtown workers.

3 Changing work patterns and technology have resulted in more individuals operating small businesses and start-ups from their homes, with occasional visitors or part-time employees. Current city regulations for home occupations do not always reflect these types of home-based businesses that many times are compatible with residential uses. (Note: see Process: 2014 Action chart)

4 While most of the individuals who work in Boulder are residents within Boulder County, between half and two-thirds of Boulder employees live outside the city limits. While the city has a high concentration of self employed and residents who work from home, over 59,000 employees commute into the city for work (2013 City of Boulder estimate), using the U.S. 36 Corridor (26%) and the Diagonal Highway 119 (18%) (Boulder Economic Council Commuting Patterns Study 2012). Ongoing transportation challenges include traffic congestion and public transit improvements.

5 As technology changes, there will be increased demand for workforce with specialized skills. Current K-12 and post K-12 higher education options, including non-university training, professional and technical schools, and community colleges, may need to be expanded and customized to meet the needs of employers, workers and residents. In addition, demographic trends indicate between 2020 and 2025 Colorado will require a significant in-migration of employees to fill vacancies from retirees.

STRATEGIES

1 Expand opportunities for workers to live within the city, including moderately priced market rate housing.

2 Expand regional transit alternatives with local partners so that commuters have more transportation options other than single occupant vehicles.

3 Work with employers, educators and partners to develop and support programs designed to help attract workers with highly specialized skills and experience, and provide workforce training opportunities.

PEOPLE

Photos from left to right: Namaste Solar, Seth Ellis Chocolatier
## People: Long-term Actions

1. Work with strategic partners – industry associations, business organizations, and education institutions – and employers to develop a plan to help attract workers in select fields.

2. Work with the Boulder Chamber and other community partners to implement the Innovation Blueprint 3.0, in particular to “expand mentoring and training programs for entrepreneurs, female and minority business leaders, facilitate cross-industry collaboration, and develop talent among our university student population”.

3. Implement programs to foster attractive and affordable housing options for in-commuters.

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### People: 2014 Action Chart

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<thead>
<tr>
<th>Action</th>
<th>Description</th>
<th>Responsible Parties</th>
<th>Timing</th>
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<tbody>
<tr>
<td>1.1</td>
<td>Increase collaboration with employers, universities and colleges, and state and local workforce and economic development partners to support ongoing development of the workforce available to Boulder employers.</td>
<td>Community Planning &amp; Sustainability, Boulder Economic Council</td>
<td>Ongoing</td>
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<tr>
<td>1.2</td>
<td>Ensure that the city’s Transportation Master Plan update, city involvement in the RTD Northwest Area Mobility Study, and the city’s Access Management and Parking Strategy focus on developing strategies and funding mechanisms for addressing the local and regional commuting challenges and opportunities for Boulder workers.</td>
<td>Public Works – Transportation and Downtown &amp; University Hill Management Division/ Parking Services</td>
<td>In progress – TMP adopted by 2014, AMPS implementation in 2014 and NAMS study will conclude in Spring 2014.</td>
</tr>
<tr>
<td>1.3</td>
<td>Through the city’s Comprehensive Housing Strategy currently under development, understand and develop approaches for the needs, desires and preferences of Boulder workers who do not live inside the city limits. Expand housing opportunities for those working in Boulder.</td>
<td>Division of Housing and Community Planning &amp; Sustainability</td>
<td>In progress</td>
</tr>
<tr>
<td>1.4</td>
<td>Support local business and industry organizations to foster “productive collisions” of local workers which provide opportunities for exchanges of ideas and collaboration. Enhance opportunities through civic area, Innovation HQ, and downtown development.</td>
<td>Community Planning &amp; Sustainability, Boulder Economic Council</td>
<td>Ongoing</td>
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</table>
The workplace needs of today’s employers are vastly different from those of just a few years ago. The city’s employment areas need to make a similar transformation. Each area of the city is different and a more place-based approach would identify desired change and tailored strategies for achieving that change. There is enormous opportunity to improve Boulder’s employment areas to provide a greater diversity of uses and services, increased walkability, improved quality of the built environment, and increased access to public transportation, bicycle and pedestrian facilities. Public investment in infrastructure is also a key component.

The city has three major employment centers, generally described as Downtown, East Boulder, and Gunbarrel. Primary employers have also clustered in other areas like the Twenty Ninth Street area (Crossroads subcommunity), Boulder Junction, the North Boulder subcommunity, as well as smaller commercial centers such as University Hill. However, with the development of the city, those employment areas on the west side of Boulder benefit from the smaller, tighter street grid and pre-war development pattern with a mix of uses, amenities and services. East Boulder and Gunbarrel employment areas were developed in a more post-war pattern with large superblocks, and a lack of a connected street grid, access to nearby restaurants, amenities and services.

The city’s urban form is shaped by the location and design of streets, paths and open spaces; the mix of uses and activities that are allowed in each area of the city; and the design and intensity of development.
and public improvements. The city’s goal is to evolve toward an urban form that supports sustainability, from a citywide scale down to the “15 minute neighborhood” scale. This “sustainable urban form” is defined with 5 components: Compact; Connected; Complete; Green; Attractive and Distinct; and Inclusive.

For each employment area the same components of a sustainable urban form can be applied. Density should be in appropriate locations to create and support viable commercial opportunities; there should be an integrated multi-modal transportation system, with daily needs within easy access of home, work or school without driving a car.

As the city works towards its climate commitment goals, the built environment, including our commercial and industrial buildings, and the activities within those buildings play a significant role related to energy use and greenhouse gas emissions. Regulatory changes, financial incentives, innovations and education together will help our commercial and industrial buildings become more efficient, attractive, and cost efficient for employers and property owners.

The 2012 Primary Employer Study highlights the unique characteristics and needs of specific Boulder areas where most primary employers are located. Desired public and private amenities like restaurants, shopping, parking, bike paths, and transportation – and the needs of primary employers – differ greatly between Downtown, East Boulder, and Gunbarrel.

Downtown restaurants, retail, district parking, and the Pearl Street Mall serve downtown employees, residents, and visitors. Downtown zoning includes non-industrial primary employer offices in addition to financial services and other professional offices. Employers love downtown for the many opportunities for “casual collisions” on the mall or in a coffee shop. Some companies find the parking district convenient, while others do not choose a downtown location because they don’t want their employees or visitors to pay for parking. High demand has resulted in very limited office space availability. The completion of the vision for the civic area, including office, arts, and event/performance spaces provides the opportunity to explore public-private partnerships.

East Boulder houses a mix of manufacturers, research and development, and a wide range of industrial uses, and is the city’s largest employment center for primary employers. Free and abundant parking is seen as a plus for most employers. Bike paths and sidewalks provide pedestrian access. There are some lunchtime options within Flatiron Park and in the area of the 55th and Arapahoe intersection, but many employees drive to Twenty Ninth Street, downtown, or other commercial areas for more eating options. Additional amenities such as pedestrian connec-

Gunbarrel is evolving, with new housing, retail, brewery/restaurant, and hotel development all under construction. Gunbarrel is home to many larger companies, and employers desire more eating options and services in this portion of Boulder. As in East Boulder, parking is free for employees and visitors. More Gunbarrel housing options – in type and price – would allow more Gunbarrel workers to consider living closer to work.

As a mature, compact city with little remaining vacant land, the city has an opportunity to revitalize areas of the city that are not reaching their full potential. Strategic planning to address the unique needs and priorities of each employment area and ensure that economic sustainability and place-making is a primary outcome is the essence of the place-based approach. While supporting and sustaining these vibrant places, the city can help to retain and attract primary employers as well as enhance the unique character of Boulder’s subcommunities and advance other community sustainability goals. Strategic planning has been done in downtown, 28th St. and Boulder Junction. The new buildings proposed and under construction are fulfilling the vision of the planning efforts for the area, and helping to address needed office space for employers. The primary employer study identified that additional demand for office space remains strong, even with these new developments.

Photos from left to right: Spectra Logic’s Boulder headquarters, interior of a W.W. Reynolds building (photo courtesy of Britt Augustine), Pearl Street Mall Courtyard at the St Julien Hotel and Spa
ISSUES & CHALLENGES

1 Main employment centers of East Boulder and Gunbarrel lack a diversity of amenities, uses, and services (e.g. restaurants, retail), increased walkability, recreational amenities, the arts, and increased access to public transportation, bicycle, and pedestrian facilities to meet the needs of Boulder's workforce.

2 As an older community, Boulder has an older commercial building stock as compared to newer, remodeled space in neighboring or similar cities. As a result, “tired” buildings may not provide the amenities or upgrades desired by employers.

3 There is limited availability of high quality, large floor plate commercial space to meet the demand of growing Boulder larger primary employers. Many larger employers look for the efficiencies provided by larger floor plates.

4 The very low supply (low vacancy rate) of downtown office space presents a challenge due to the high desirability and demand for downtown space (and its numerous amenities and concentration of companies) by Boulder primary employers.

STRATEGIES

1 Support the vitality of Boulder’s varied employment areas throughout the community (e.g. Twenty Ninth Street, South Boulder, and North Boulder) through a place-based approach that builds upon the unique amenities to those areas, in addition to the city’s main employment centers.

2 Enhance the East Boulder employment area to create a more desirable place for companies and workers with desired amenities and mixed use: eating and drinking places, retail services, the arts, and increased multi-modal access to public transportation and bicycle and pedestrian facilities.

3 Continue the efforts in the Gunbarrel community center, to create a more inviting and diverse place for companies and workers, with desired amenities and increased access to public transportation and bicycle and pedestrian facilities.

4 Ensure Downtown Boulder’s continued success as a vibrant, desirable location for a rich mix of uses by finding opportunities to upgrade and create additional space for key industries as well as high quality outdoor spaces, including implementation of the civic area plan.

5 Encourage and incentivize the upgrading of Boulder commercial buildings in appearance, tenant amenities, energy efficiency, and other sustainability measures.

6 Support a multi-pronged, community development based strategy to maximize the unique assets and opportunities of University Hill.

PLACE

Photos from left to right: Chautauqua Park (photo courtesy of LogRhythm), Amgen’s Boulder headquarters
<table>
<thead>
<tr>
<th>ACTIONS</th>
<th>RESPONSIBLE PARTIES</th>
<th>TIMING</th>
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<tbody>
<tr>
<td>action 2.1</td>
<td>Implement the Civic Area Plan Phase 1 including investment strategies, financing tools, capital improvements, flood protection, safety improvements, and feasibility planning for future phases.</td>
<td>City Manager's Office, Finance, Community Planning &amp; Sustainability, Public Works, Parks &amp; Recreation, Library and Arts</td>
</tr>
<tr>
<td>action 2.2</td>
<td>Work to support public and private investment in amenities in the East Boulder employment area through the East Arapahoe area planning effort.</td>
<td>Community Planning &amp; Sustainability, Public Works – Transportation</td>
</tr>
<tr>
<td>action 2.3</td>
<td>Examine the mix and type of businesses located in and around North Boulder as part of the Subcommunity Plan update, including analysis of the feasibility of fully developing the Village Center.</td>
<td>Community Planning &amp; Sustainability</td>
</tr>
<tr>
<td>action 2.4</td>
<td>In partnership with the Hill stakeholders, provide resources and coordination for the implementation of the Residential Service District and the innovation district concept. Develop a cross departmental Hill team to ensure coordination of and communication about Hill programs and activities.</td>
<td>Downtown &amp; University Hill Management Division</td>
</tr>
<tr>
<td>action 2.5</td>
<td>Continue implementation of Boulder Junction to support economic development, and community goals for transit-oriented development.</td>
<td>Community Planning &amp; Sustainability, Transportation Division, Housing Division</td>
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</table>

**PLACE: LONGER TERM ACTIONS**

1. Support areas like Diagonal Plaza to maximize redevelopment opportunities and strengthen economic health.

2. Explore incentives and financial tools for commercial property owners to upgrade their building stock, catalyze commercial energy upgrades, and provide employee amenities.

3. Through the Sustainable Streets and Centers project and East Arapahoe area planning, study East Boulder and Gunbarrel zoning (e.g. open space, parking, and floor area requirements) and consider updates to reflect current employment trends and needs of primary employers.

4. Complete the implementation of Phase 1 of the Transit Village Area Plan, and continue to Phase 2 of implementation.

*Photos from left to right: Entrance to Lijit’s new office (photo courtesy of tres birds), The Hill, Google’s Boulder office*
Many issues related to primary employers’ space, location, and expansion are purely defined by the market. To support the retention and attraction of today’s talented workforce and progressive employers, however, the city can make it easier to do business in Boulder and have a direct influence on a number of important issues:

- The city’s comprehensive plan sets broad economic policy and land use direction.
- The city’s zoning districts define the uses allowed in different areas occupied by primary employers.
- Developing new space or upgrading existing buildings require review and permits by the city.
- Business retention, expansion, outreach, and incentives through the city’s economic vitality program.
The comprehensive plan recognizes that land use regulations impact the ability of businesses to evolve. One of the city's largest roles in supporting and fostering economic sustainability is through land use authority. Therefore, the city's regulations and review processes need to provide flexibility to allow businesses to be responsive to emerging technologies and evolving industry sectors. There are daily interactions between employers and Boulder's city government. These occur when companies get services from the city and are subject to city regulations and programs. These include licensing and taxing, permitting and development review, the adoption of legislation, and business assistance and business retention services provided by the Economic Vitality program. Over the past few years, the city has placed additional focus on the improvement of these business services, as part of the city's vision to strive for service excellence. Efforts implemented and underway include expanded economic vitality services, a web business portal, and new ways to communicate about city news and projects that matter to businesses.

Many Boulder primary employers lease their space. They often grow quickly and move frequently, triggering remodeling to meet tenants' needs. Remodeling construction requires some combination of city development review and permits. Timing windows are routinely affected by lease timing and company operations. As companies plan their moves from space to space (often every few years), the cost, predictability, and timing of building improvement projects and permits (including code-triggered upgrades) become key factors in their decisions to stay and grow in Boulder.

The city's economic vitality program provides support for business relocation, retention, and expansion. One tool is the flexible rebate business incentive program in which the city manager can approve customized rebates of sales and use taxes and permit and development review fees to key primary employers. A microloan program provides an additional funding source for Boulder small businesses.
ISSUES & CHALLENGES

1 The city’s discretionary review process can result in a wide range of outcomes that can increase the level of risk and associated costs (which affects the ability to build the development potential according to the zoning code).

2 Because most primary employers are lessees (81 percent) and move frequently, employers and property owners may not invest capital in building upgrades.

3 Certain city zoning regulations on the uses of commercial space (and size of uses) may unnecessarily limit use flexibility.

4 Upgrading older buildings can result in significant building improvement requirements (e.g., energy code, accessibility, wiring, utilities) that may be unexpected to a property owner or a business tenant.

5 Land cost is a significant factor; Boulder’s commercial land cost is generally higher than surrounding communities and this affects decisions to upgrade and develop commercial property.

STRATEGIES

1 Ensure that Boulder’s land use and other codes respond to changes that support 21st century employer needs for flexibility in commercial uses and employee workplaces.

2 Encourage owners of Boulder’s industrial and commercial building stock to update their buildings so that they become models of 21st century energy efficiency.

3 Make doing business with the city easier, through improved application and permitting processes.

4 Continue and expand the city’s economic vitality efforts in business retention and expansion, outreach, incentives, and assistance.

PROCESS

Community engagement outreach event held by the city, Planning and Development Services Center

City building official/permit reviewer

Twisted Pine Brewery’s expanded ale house

Photos from left to right:
### PROCESS: 2014 ACTION CHART

#### ACTIONS RESPONSIBLE PARTIES TIMING

<table>
<thead>
<tr>
<th>Action</th>
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<th>Responsible Parties</th>
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<tbody>
<tr>
<td>3.1</td>
<td>Update commercial and industrial zoning use charts and definitions to provide more flexibility for space options, respond to the dynamic nature of Boulder's primary employers, and to allow and encourage desired amenities.</td>
<td>Community Planning &amp; Sustainability</td>
<td>In progress</td>
</tr>
<tr>
<td>3.2</td>
<td>Continue to improve the commercial tenant finish permit process to make it more timely and predictable (with predictable requirements) for applicants and property owners.</td>
<td>Public Works and Community Planning &amp; Sustainability</td>
<td>In progress</td>
</tr>
<tr>
<td>3.3</td>
<td>Update home-based occupation regulations to reflect current industries and businesses, the use of the Internet, and to balance potential impacts to residential neighborhoods while allowing flexibility for home-based businesses.</td>
<td>Community Planning &amp; Sustainability</td>
<td>Complete by end of 2014</td>
</tr>
<tr>
<td>3.4</td>
<td>Continue to improve energy efficiency in commercial buildings and business operations through the implementation and evaluation of voluntary programs. Work with building owners and businesses on the 2014 pilot with Pecan Street that further policy and strategy development aimed at reducing energy waste in commercial buildings.</td>
<td>Community Planning &amp; Sustainability</td>
<td>Ongoing</td>
</tr>
<tr>
<td>3.5</td>
<td>Revise the land use regulations to allow, through Site Review, the density and floor area that would otherwise be permitted prior to the dedication of land for public right-of-way in areas where the city has adopted connections plans.</td>
<td>Community Planning &amp; Sustainability</td>
<td>In progress</td>
</tr>
<tr>
<td>3.6</td>
<td>Update the land use regulations for required site improvements and upgrades by changing how the assessed value is calculated, by allowing the option of using the professionally appraised fair market value of the structure.</td>
<td>Community Planning &amp; Sustainability</td>
<td>In progress</td>
</tr>
</tbody>
</table>

#### PROCESS: LONGER TERM ACTIONS

1. Evaluate updates to zoning bulk and intensity methods (height, stories, FAR, building size, open space, setbacks, parking).
2. Examine policies and regulations around complementary uses and amenities in employment centers, such as eating establishments, retail and services.
3. Consider increased funding for flexible rebate incentives.
4. Modify/enhance development review processes (review thresholds, review times, fees, predictability).

*Photos from left to right: City permit reviewer, LogRhythm, Interior of Advanced Thin Films*