Background
The Pueblo Retention & Expansion Program (PREP) completed its eighth full year of operations in 2015 with the continued goal of assisting the community’s economic development efforts in the areas of retention and expansion of primary employers. PREP is an integral part of Pueblo’s overall economic development strategy.

PREP
PREP is a collaborative partnership which supports an economically vibrant and sustainable community.

PREP brings together public and private organizations (visit: www.pueblorep.org) to conduct visits with Pueblo County primary employers, gather information on the company operations and perspective regarding doing business in Pueblo, and attempt to address any issues or concerns the company may be experiencing.

PREP strives to fulfill its mission beginning with a business visit designed to uncover any changes a company may have gone through and to identify challenges the business may be facing. Interviewers ask specifically whether PREP can assist a company with a particular concern or involve its network of partners to resolve an issue. If so, the problem area is reported through a formalized assistance request resolution process to the PREP partner agency(s) or other community organization which potentially can assist the company with that issue. Visitation team members make no commitments or promises to the company that issues will be “solved” but do commit to bringing the company’s problem to the attention of the most appropriate local agency or organization.

PREP’s Mission:
The mission of PREP is to act as an innovative resource to identify and address the needs of Pueblo County employers for sustainability and growth.

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2015 PREP Survey Results

As a primarily volunteer organization, PREP conducts company visits, seeks to address concerns raised by businesses and performs all other required functions with only the limited financial support provided by contributions of its member organizations. During the 2015 year, PREP conducted 13 onsite interviews in Pueblo County that met the visit criteria of being a primary employer with more than 10 employees and/or receiving greater than 50% of their revenue from outside Pueblo County. The industries represented by the companies visited included:

- Advanced Manufacturing
- Transportation
- Healthcare
- Consumer Goods Producer
- Retail Related Operations
- Business Services

Company Count

Employee counts for the companies can be described as follows:

- 1,201 to 3,000: 1 Company
- 501 to 1,200: 2 Companies
- 101 to 250: 5 Companies
- 51 to 100: 1 Company
- 21 to 50: 3 Companies
- 1 to 20: 1 Company

Survey Process

The process of identifying and addressing issues starts during the business visits. Interview teams ask specific questions concerning Pueblo’s strengths and weaknesses as a place to do business and whether the company is faced with issues or problem areas for which PREP could offer assistance. Feedback shared during the 13 visits conducted in 2015 provided information that is shared in the following pages.

Focus for 2015

During 2015, PREP focused efforts in three areas:

1. Expanding and improving outreach to local organizations in order to broaden understanding of PREP’s role in Pueblo’s economic and community development.

2. Enhancing the assistance resolution process by increasing the number of partner organizations prepared to assist businesses with their concerns and potentially resolve issues brought to PREP’s attention during company visits.

3. Evaluating and enhancing PREP’s data gathering and analysis capabilities to increase the value of information to both assistance request resolution and overall economic development efforts.
Greatest Achievement

When asked to discuss the company’s greatest achievements in the last three years, 23% cited business growth or sales increase. 15% of the responses noted successful mergers, 23% referenced renovation or expansion, and 38% were production improvements and new products or services.

Business Changes

Of the companies surveyed, seven have recently undergone ownership and management changes. Four companies introduced new products or product improvements. 77% of the companies anticipate upcoming legislation that will negatively impact their operations. Nearly 40% of these legislative changes are at the federal level and will impact all businesses (healthcare, energy policy costs, etc.) and 60% are industry specific.

Expansions

When asked about expansion plans, 9 of the companies (69%) were assessing expansion opportunities in building size, upgraded equipment, and/or number of employees.

Market

Fewer companies than last year cited increased market share or sales growth, but overall the companies PREP visited indicated that business had either stabilized or, in a few cases, was growing. The survey provided the following results:

- 77% of companies surveyed indicated that their total company sales are increasing (38%) or remaining stable (38%).
- 85% of companies surveyed stated that their market share is either increasing (15%) or remaining stable (69%).
- 54% of companies surveyed indicated that their primary products are either in the emerging or growing states (as opposed to declining or maturing), as compared to 50% from the previous year.
- 62% of companies surveyed anticipate new products in the next two years, compared to 50% the previous year.
- 85% of companies surveyed introduced new products or services in the last 5 years, as compared to 73% from the previous year.
Management Perceptions

During the visits, companies are asked about management’s feelings toward the community, which include community strengths, weaknesses, barriers to growth, and executive attitudes toward doing business in Pueblo. Comments were received in the following areas:

Community Strengths

Fifty-four percent of company executives commented positively about the generally lower cost of living and cost of doing business. Specific comments were made regarding Pueblo’s location having access to rail, water, and good weather for year-round outdoor work.

Positive comments were made regarding the manufacturing environment in Pueblo. 62% of companies find the availability of entry-level workers as well as the stability and productivity of all levels of workers to be average or above-average.

Other strengths of the community included comments about Pueblo being a family-oriented environment with a strong sense of community.

Community Weaknesses

Several trend items continue to surface concerning the perceived weaknesses of Pueblo. Primary among these is the K-12 education system, which 62% of companies specifically cited as an issue.

Additionally, comments relating to the increasing cost of doing business primarily due to rising utility costs, including both Black Hills Energy and Xcel Energy, was noted by 64% of companies. Concern was expressed over potential future increases in the overall cost of doing business due to the rise in marijuana facilities.

Politics, regulations, and unresponsiveness were cited by 27% of businesses as contributing to a sense that Pueblo does not have a business friendly environment.

Pueblo’s workforce received mixed reviews as companies noted difficulties in recruiting and retaining skilled employees. 100% of companies noted recruiting problems and 77% of those comments related to recruiting skilled employees.

Assistance Requests

The primary goal of the Assistance Request process is to serve as a resource for Pueblo businesses when a specific business need arises. The PREP Board never guarantees resolution of problems but does commit to bringing the issue to the attention of key partners.

When a company directly requests PREP’s assistance with an issue, that issue is reported to PREP’s partner agency or other community organization that can potentially assist with the problem. Issues that do not require immediate assistance but are recurring, underlying concerns are reported as trend issues.

In 2015 there were 10 Assistance Requests. Categories included:

- Business Retention & Expansion
- Business Referral
- Regulatory
- Finance Assistance
- Utility—Electric
- Utility—Internet
- Workforce Retention & Expansion
- Workforce Training
Public Services

The graph to the right shows the average ratings of various public services, comparing results from 2015 against an average of results from the previous 3 years (2012-2014).

Results show that the perception of education at all levels has declined, while K-12 continues to receive specific negative comments pertaining to the need to improve local K-12 education.

Regulatory enforcement, Zoning and Planning, Community Planning, and Services also saw a marked decline, which corresponds to specific negative comments regarding Pueblo as a business-friendly climate.

31% of companies expressed dissatisfaction with available public transportation via 9 distinct comments, particularly to the Industrial Park. Perception of local streets and roads as well as highways also declined in 2015.

Air services and trucking saw some improvement. Pueblo’s perception of Economic Development resources, to include PEDCO, saw the greatest improvement and continue to be highly rated.

Community Partners

The PREP Board is grateful for the support of its community partners that help to retain and expand Pueblo’s businesses by assisting in the following areas:

COMMERCE
Greater Pueblo Chamber of Commerce
Latino Chamber of Commerce

EDUCATION
Colorado State University -Pueblo
Pueblo Community College
Pueblo School District 60
Pueblo School District 70

TRANSPORTATION
Colorado Department of Transportation
Pueblo Municipal Airport

UTILITIES
Board of Water Works
Xcel Energy
Black Hills Energy
San Isabel Electric

ECONOMIC DEVELOPMENT
Pueblo Economic Development Corp (PEDCO)
Pueblo County Economic Development (ED)
PCC Small Business Development Center (SBDC)
Pueblo Urban Renewal Authority (PURA)
SoCo Economic Development District (SCEDD)

GOVERNMENT
City Council
City of Pueblo
County Government
PW Metro District
City-County Health Department
Colorado City Metro District
The Future: PREP 2016 Goals

PREP continues to evolve as an organization. Our goal is to address the needs of the business community and provide assistance to help companies grow in our region. We will continue to support our constituents by providing solutions to issues that inhibit their ability to operate. We will also maintain focus on creating value for our partners as the voice of the business community. Our capabilities will continue to grow in the areas of data collection and trend analysis so that we may continue to support the business infrastructure of Pueblo and Southern Colorado.

Goal 1

Expand the type and number of companies that PREP visits annually: Since its inception in 2007, PREP has focused on conducting business visits to Pueblo’s “primary employers” (defined as companies with at least 10 employees who generate at least 50% of their revenue from outside of Pueblo County). A focus for 2016 will be on broadening the types of companies visited to include more companies in different industry sectors to generate additional data which can be utilized for economic and community development planning as well as provide a more complete picture of the business climate in Pueblo from the perspective of companies from a cross section of industries. Initial plans for companies to be added to the visitation list include those from the financial, healthcare, transportation, and travel/tourism sectors as well as companies in sectors identified by the Pueblo Economic Development Corporation (PEDCO) as critical to Pueblo’s economic development planning.

Goal 2

Continue to develop working relationships with PREP’s partner agencies and increase the frequency of contacts with both partner agencies and other organizations in the community which have similar missions and goals as PREP: PREP has traditionally held an annual luncheon/meeting with its identified partners. Goal 2 (continued)

A goal for 2016 will be to meet more frequently with the partner agencies in order to strengthen working relationships in areas such as the resolution of assistance requests as well as to capitalize on the expertise and understanding of the local business community that PREP’s partners can provide. This goal also includes the development of additional partner relationships with other organizations in Pueblo which have like missions to PREP in terms of economic and community development.

Goal 3

Continue to streamline the interview and data gathering/analysis process in order to provide relevant information to Pueblo’s community leaders and decision makers: A variety of local government and other public and private sector groups request data from PREP on a routine basis. PREP’s goal for 2016 is to more completely understand the types of data most relevant to these decision makers and develop/modify the interview process to provide relevant information critical to planning and decisions which impact the community. Additional focus will be placed on presentations and other types of information sharing with a variety of governmental and other civic/community groups and organizations.
Conclusion

Overall, volunteers who conducted the visits with employers were asked their observations of the general attitude of our primary employers. The committee responded that the majority of businesses visited were positive and felt that Pueblo was a good place to do business. Most businesses are optimistic about being a part of the community for a long time and hope to grow their operations here. It is felt that progress is being made to strengthen the Pueblo business community through the efforts of the PREP program.

Contact Us

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PREP Board Members

The PREP Board is comprised of 10 Members who bring their experience and industry knowledge to help fulfill the vision and mission of the organization. Board members and their represented industry are:

Steve Chorak, President | Pueblo Workforce Center
Caroline Trani, Vice-President | PCC, Small Business Development Center
Lisa Vigil, Secretary/Treasurer | Elwood Staffing
Paris Carmichael | Pueblo County Community Information
Amanda Corum | PCC, Pueblo Corporate College
Kevin Naumann | Board of Water Works
Joe O'Brien | PEDCO
Brandon Stam | Pueblo County Economic Development
John Vigil | Pueblo City
Peggy Willcox | Jones-Healy Realtors
Michelle Francis | PREP Program Coordinator