

The Pueblo Chieftain

Opinion

Boot up recruitment efforts

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Thanks are owed to Justin Holman for bringing up a hard truth that needs to be confronted by our city leadership.

Holman is the president and chief executive officer of Aftermarket Analytics, a local company that helps automotive businesses use technology to operate more efficiently. And this week Holman told Mayor Nick Gradisar and Pueblo City Council members that local efforts to recruit more tech companies like his are ineffective.

Holman said the Pueblo Economic Development Corp. focuses its efforts on businesses that plan to make major capital investments in the city. That doesn't necessarily apply to tech companies, particularly those that are just getting started.

"PEDCO is a great organization and I think they're doing great work, but their approach will not attract tech businesses," Holman said. "And I don't think they'd argue with that. They'd tell you that's by design. They have a strategy for a number of different industries."

Which is true. The primary incentive PEDCO is able to offer, with the council's approval, is the use of sales tax revenue dedicated to economic development. Most of the companies that qualify for that type of funding make specific pledges about how many jobs they'll create and how much money they plan to spend on building the facilities they need.

As we've noted before, Pueblo's economy today might look quite different if native son David Packard had decided to launch his fledgling computer business here rather than in California. But can you imagine if a couple of young people approached the city about getting some of that sales tax money so they could expand their garage-based business? They probably wouldn't get very far.

And that's one of the challenges when evaluating tech businesses. How does our community put a value on them if they're not employing many people or taking up a lot of space?

Some of the companies might have business plans that sound fantastic, but we all know that a lot of start-up businesses fail for various reasons. If our city leaders want to offer incentives to encourage tech businesses to move here, and we think they should, then it's important to develop some standards by which the success of those businesses can be measured. And, when businesses fail to meet those standards, they can be held accountable.

Holman didn't profess to have all the answers for what a viable tech business recruitment strategy should look like. And neither do we.

But this is an issue that is worth devoting some time, resources and brain power to address. It might be interesting, for example, to survey tech firms in other communities to find out what they would find attractive if they were looking to expand or relocate.

As Holman noted, Denver and other communities to our north are attracting those types of companies.

"It can spill over to Pueblo," he said. "There's probably thousands of millennial-age tech employees who are wondering if they'll ever be able to afford a home in Denver metro and Pueblo could provide an outlet for that."

Indeed we could.