

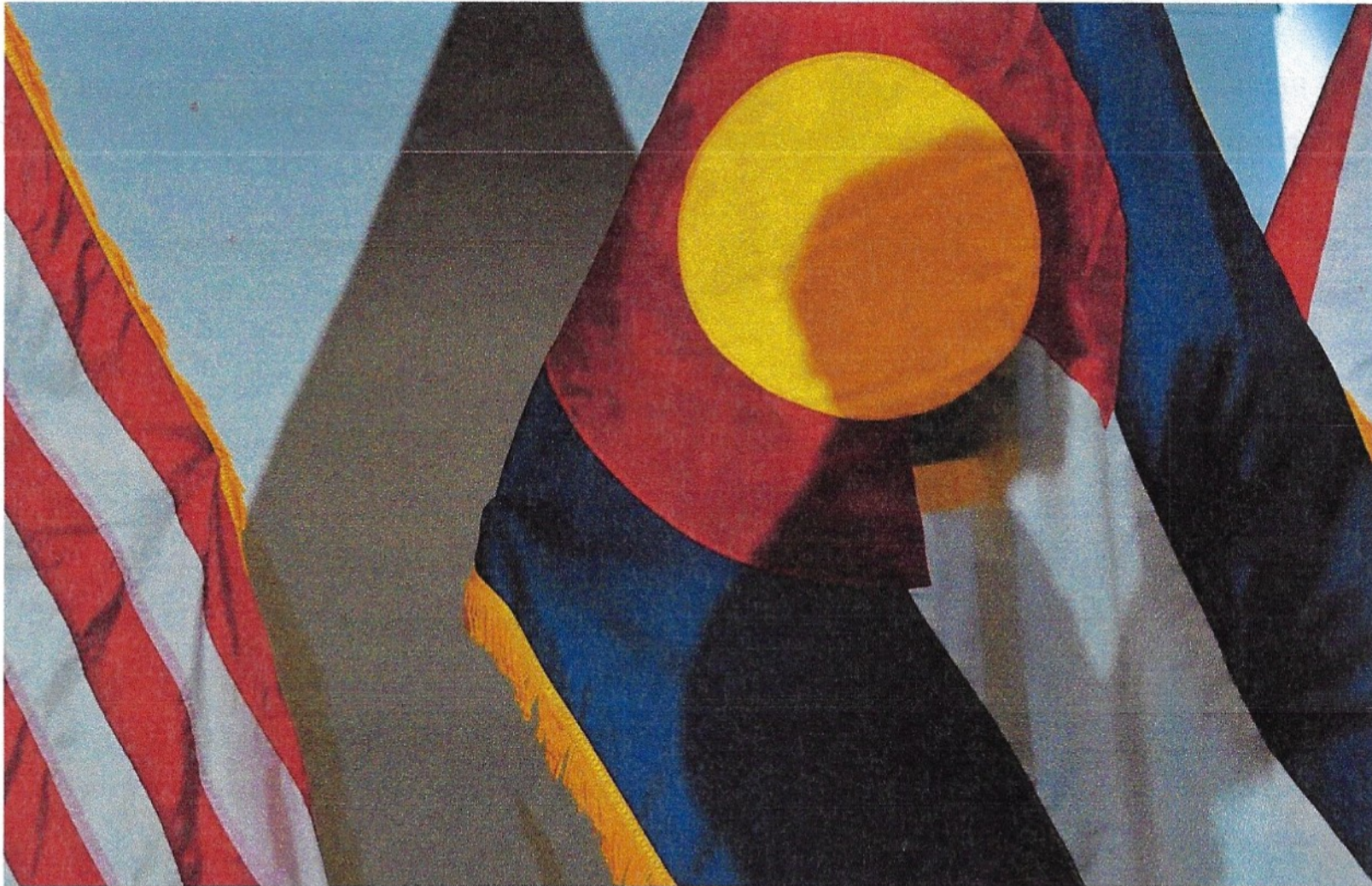
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Tech companies fleeing Colorado have business leaders ringing alarm bells

Open letter warns that Colorado's reputation as innovation hub is slipping after Palantir exit



Denver Mayor Mike Johnston's shadow is casted onto the Colorado state flag as he announced his 2025 goals during a press conference in the newly renovated section of the Denver Central Library in Denver on Jan. 29, 2025. (Photo by RJ Sangosti/The Denver Post)



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A bipartisan coalition of more than 230 business, technology and civic leaders has issued a letter warning that Colorado is at risk of losing its hard-won reputation as an innovation hub and urging immediate action.

The slide, if not reversed, could cause the state economy and its residents irreparable harm for decades to come, according to a new group called Ensuring Colorado's Innovation Future.

“Despite the extraordinary progress of the past two decades — and despite these enduring structural advantages — the foundation of Colorado technology and business leadership is deteriorating,” the letter said.

Concerns about Colorado's flailing reputation within technology circles came to a head on Feb. 17 when Palantir Technologies announced in a one-sentence post on X that it had moved its headquarters from Denver to Miami.

The news stripped Colorado of a titan in artificial intelligence worth \$312 billion in market value and blindsided state and local leaders.

In SEC filings, Palantir described the state's more difficult regulatory climate, highlighting a first-of-its-kind AI law passed in 2024 that seeks to protect consumers from algorithmic discrimination.

The coalition argues that Palantir is just the tip of the iceberg.

According to a departure tracker recently made public by the Colorado Chamber of Commerce Foundation, 98 companies have relocated out of state since 2019, with 27 relocations last year. The state lost 13,600 jobs because of the decisions, when employment information was available and the base of public companies continues to shrink.

Texas is the big winner in Colorado's slide, claiming 21 relocations or expansions, followed by California with 10. North Carolina, Arizona and Florida are also snatching away companies.

“We started seeing some warning signs about five years ago that our regulatory climate was becoming problematic,” said Cynthia Eveleth-Havens, chief strategy officer with the Colorado Chamber.

The coalition's letter is addressed specifically to Gov. Jared Polis, U.S. Sens. Michael Bennet and John Hickenlooper, Colorado Attorney General Phil Weiser and Denver Mayor Mike Johnston.

“Colorado used to be a place companies wanted to come to, and if they were here, it was a place they wanted to stay,” said Dan Caruso, a long-time tech and telecom executive and investor heading the coalition. “Now those same decision makers are saying Colorado is not even on our short list, and if you’re in Colorado, you should be investing your money elsewhere.”

Caruso unveiled the letter on Thursday with Polis, a former tech entrepreneur who is in his last year as governor, at his side. Polis said he plans to convene business leaders from across the state to discuss the issue of Colorado’s eroding competitiveness and the steps that can be taken to reverse it.

“We want companies to scale and grow here in Colorado, as well as for Colorado to be the place where companies from California, Florida and other states — where they feel they are being targeted — can come to and succeed,” Polis said.

The letter outlines nine specific requests to prevent Colorado from becoming flyover country for tomorrow’s innovators. The first is that state leaders “articulate and affirm” Colorado’s intention to lead nationally in technology and innovation.

It asks for a deep and “honest” assessment of the factors that contributed to Colorado losing ground to rivals like Texas and Florida. It requests an examination of regulations, business structures, legislative actions and rhetoric that are making Colorado less competitive, and causing innovators outside the state to lose interest.

Following that, the letter calls for the development of a 20-year strategy with bipartisan support to ensure Colorado sustains and extends its leadership as the nation’s leading non-coastal technology and innovation hub.

The letter also asks local leaders to modernize and streamline land-use, permitting, and development frameworks to increase housing supply and improve affordability, which is a major barrier to both people and companies relocating to the state.

Since 2020, the state has drawn a net 17,729 residents from other states, a sliver of the pace averaged in the prior three decades, and last year, 33 of the state’s 46 counties lost population, according to the U.S. Census Bureau.

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Revised employment numbers show the state lost 11,000 jobs last year, marking the economy’s worst hiring performance since the pandemic in 2020, according to the Colorado Department of Labor and Employment.

If contempt and scorn signal a failing relationship, some of the points in the letter are centered on tone and attitude, including a “recalibration of public rhetoric” to restore confidence among innovators and entrepreneurs.

“This is an important conversation for Colorado’s future and an opportunity to bring leaders together, align around shared priorities, and ensure our state continues to be a place where innovation and opportunity thrive,” said Brittany Morris Saunders, president and CEO of the Colorado Technology Association, and a signatory. “Colorado’s strength has always come from collaboration and a willingness to build for the long term.”

State Senate President James Coleman, D-Denver, said in an email that he works closely with leaders across industries and interests to cultivate an environment that supports business growth and innovation, while at the same time protecting Colorado consumers and families.

The two don’t have to be mutually exclusive, Democrats have argued.

On Friday, a second vote advanced [Senate Bill 26-137](#), a bipartisan measure requiring a regular review of state regulations with a goal of “reducing redundancies, improving effectiveness, and creating ongoing opportunities to foster a healthy business environment in Colorado.”

The bill faces a final vote on Monday.

“Responsible governance means continually evaluating what regulations are working, where there are gaps, and what can be updated, streamlined and improved,” Coleman said.

A key goal of the bill is to ensure that no new rule “creates administrative burdens on the agency, consumers, or businesses without a corresponding public benefit.”

The Office of Economic Development and International Trade also disputes claims that businesses don’t consider Colorado a desirable place to locate or expand, and corporate recruiters in the field describe a still robust rather than diminishing pipeline of prospects.

“Colorado offers assets few other states can match, including our top talent, collaborative and stable ecosystem, and foundational assets like world-class research institutions and robust access to capital,” said Eve Lieberman, OEDIT’s executive director. “While Colorado is not immune to national and global headwinds, we are always looking for ways to foster a strong business environment.”

Since 2019, 160 companies pledging to create 42,767 jobs have chosen to locate or expand in Colorado versus other states or countries under the state’s Job Growth Incentive Tax Credit program, Lieberman notes.

She argues the losses the Chamber tracker has captured should be viewed in the context of the normal churn states experience rather than as an indictment of Colorado’s business climate.

But Caruso insists that perceptions and conditions have changed and that state and local leaders need to pay attention. The success Colorado has had in the past can’t be taken for granted, and it must be nurtured.

“We want this to be the kind of place that capital wants to remain, and if it’s here, where startups want to be and where, if people are thinking about moving, they have to think about moving here, not away from here,” he said.

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