

AGENDA ITEM SUMMARY

Council



STAFF

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SUBJECT

Second Reading of Ordinance No. 072, 2024, Annexing the Property Known as the I-25 & Mulberry Annexation to the City of Fort Collins, Colorado.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on May 21, 2024, annexes a 46.92-acre property located at the NE Corner of the I-25 and East Mulberry interchange. A specific project development plan proposal is not included with the annexation application. The Initiating Resolution was adopted on April 16, 2024. A related item to zone the annexed property is presented as the next item on this Agenda.

This annexation request is in conformance with the State of Colorado Revised Statutes as they relate to annexations, the City of Fort Collins City Plan, and the Larimer County and City of Fort Collins Intergovernmental Agreement regarding Growth Management.

STAFF RECOMMENDATION

Staff recommends adoption of the Resolution and Ordinance on Second Reading.

BACKGROUND / DISCUSSION

Introduction

This is a 100% voluntary annexation of a 47-acre property located at the northeast corner of I-25 and East Mulberry Street. The property is currently and has historically been used in an agricultural capacity. The site is bound by NE Frontage Road to the west, former Heli-One industrial building to the north, Cloverleaf Community to the east and Sunstate Equipment Rental/East Mulberry Street to the south. As noted, no development proposal was submitted in conjunction with this application, however, the property is overlaid by a metro district which outlines the desire to design and construct roadway and utility infrastructure to suite approximately 400,000+ square feet of retail and light industrial/flex space.

Larimer County and City of Fort Collins Intergovernmental Agreement

The property is located within the Fort Collins Growth Management Area (GMA) and according to policies and agreements between the City of Fort Collins and Larimer County contained in the Intergovernmental Agreement for the Fort Collins Growth Management Area, the City agrees to

consider annexation of property in the GMA when the property is eligible for annexation according to State law.

Contiguity Requirements

The subject property gains the required one-sixth contiguity to existing City limits from a common perimeter boundary with city limits of 3,811 feet or 62%, which satisfies the one-sixth (16%) required by State Statute. Contiguity is gained from the East Gateway Annexation (2018), Interchange Business Park Third Annexation (2006), and I-25 Third Annexation (2017).

Mulberry Frontage Metro District

Metro districts are independent local government units designed to finance and manage public infrastructure. Colorado law empowers them to provide services such as water, sewer, roads, storm drainage, parks, and sometimes fire protection. They are governed by elected boards that establish policies, set budgets, and raise funds through property taxes, fees for service, and by issuing bonds.

As outlined in the Initiating Resolution for this annexation, the Mulberry Frontage Metropolitan District (MFMD) was approved and established by Larimer County in 2017. The annexation area/parcel boundary matches the service area of the District.

Mulberry Frontage Metro District Service Plan

A fundamental component of establishing a metro district is the development of a service plan, which is required by Colorado law. The service plan outlines the metro district's powers, governance, boundaries, land use, financing, and descriptions of services.

The MFMD Service Plan (Plan) anticipates financing infrastructure that includes the design and construction of a realigned Frontage Road, two commercial local streets, utility infrastructure (water, sanitary, and storm sewer), and detention pond infrastructure. The Plan acknowledges that East Larimer County Water District, Boxelder Sanitation District, and Poudre Fire Authority will continue to provide services, and that infrastructure would be designed according to their specifications.

The District's Plan anticipates only commercial and light industrial development with a projected residential population of zero at build-out. Should the District propose the addition of residential land uses, Larimer County considers this a material modification of the Service Plan and would require additional review and approval.

To implement the Service Plan, the MFMD will be required to enter into an intergovernmental agreement (IGA) with Larimer County. City staff have communicated with Larimer County Community Development staff and District representatives. The District has expressed its position that it is not interested in modifying the Service Plan to allow the City of Fort Collins to have oversight or a regulatory role regarding the MFMD.

Since this is an existing metro district, Council could consider either:

- Entering into an Annexation Agreement that would run with the land.
- Entering into an Intergovernmental Agreement with the District.

However, the District and developer have expressed opposition to any such agreement.

In the table below, staff have compared the MFMD's existing Service Plan to the City's Model Service Plan, highlighting major differences.

Comparison Point	Existing Metro District	City Metro District Policy	Considerations for Annexation
Public Improvements and Services	<p>Under Colorado Law, metro districts can provide fire, mosquito spraying, parks and recreation, safety protection, sanitation, solid waste disposal, street improvement, television relay, transportation, and water services within their geographic service territory.</p> <p>The Mulberry Frontage Metro District Service Plan indicates that the district does not plan to own or operate water, fire, or sanitation facilities, however it reserves the right to, “have and exercise all rights and powers necessary or incidental to, or implied from, the specific power granted to the District in the Service Plan and the Act.”</p>	The City restricts the ability for metro districts to provide policing or other security services, water and wastewater treatment facility, sales and use tax, television relay and translation restriction, golf courses, grant funding, and fire protection.	<p>Council may require an annexation agreement or an IGA with the District to restrict services that are not aligned with the City’s current policies.</p> <p>The Service Plan explicitly states that it does not anticipate providing water, wastewater, or fire service of it’s own.</p>
Alignment with City Priorities and Extraordinary Public Benefits	County Metro District Policy does not require extraordinary public benefits.	The City of Fort Collins evaluates non-residential districts based on Environmental Sustainability Outcomes, Critical Public Infrastructure, Smart Growth Management, and other Strategic Priorities such as affordable housing, workforce housing, infill/redevelopment, and economic health outcomes.	Council could request an annexation agreement with the developer that requires any future development to meet the performance criterion of the City’s Metro District Policy.

Comparison Point	Existing Metro District	City Metro District Policy	Considerations for Annexation
Other Powers	The existing Service Plan allows for the use of eminent domain.	City policy does not allow metro districts to exercise the power of eminent domain but rather the City could utilize eminent domain on their own projects within the District.	<p>Council may request that the Metro District enter into an agreement that would both prohibit general use of eminent domain and limit its use in specific projects.</p> <p>Eminent Domain is a very lengthy process that carries significant financial risks for the District due to potential litigation costs and high compensation awards.</p>
Max Mills	The County allows up to 65 mills for debt service and operations and maintenance (O&M), with a maximum of 15 mills for O&M.	<p>The City has a stricter limit of 50 mills total for debt service and O&M, with a maximum of 10 mills dedicated to O&M.</p> <p>City policy allows for increased mill levies beyond the standard limit for commercial districts, subject to Council approval.</p>	The City and Metro District could enter into an agreement with the District to reduce the max mills.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

The Planning and Zoning Commission will vote on this annexation and zoning at its May 16, 2024, meeting.

CITY FINANCIAL IMPACTS

The annexation and zoning will not result in any initial direct significant financial/economic impacts.

Future development will trigger the transition of law enforcement from Larimer County Sheriff to Fort Collins Police Services. Should development occur, water utility services will be provided by the East Larimer Water District (ELCO), wastewater utility service will be provided by the Boxelder Sanitation District, and electric service will be provided by Fort Collins Light and Power.

PUBLIC OUTREACH

A neighborhood meeting was held September 22, 2022, to jointly share information and discuss the proposed annexation and associated Overall Development Plan for the site. All other notification requirements as required by state and local law have been met.

A majority of questions and concerns discussed at the meeting related to future transportation access and development potential of the associated Overall Development Plan. Key topics related to annexation include:

- Zoning boundaries in relation to the proposed realignment of the Frontage Road.
- Whether the Cloverleaf Mobile Home Park would also be annexed into the City?

ATTACHMENTS

First Reading attachments not included.

1. Ordinance for Consideration