

Industrial Land Use, Forecasts, and Absorption in Fort Collins

Prepared for:
Watermark Development

Submitted by:
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Research Scope

1. Review the most recent Fort Collins Comprehensive Plan to better understand Fort Collins' industrial land development needs and goals.
2. Obtain and analyze data from Larimer County Assessor Office to determine industrial land absorption rates, with the focus being since 2000, in terms of acres and square feet of improvements.

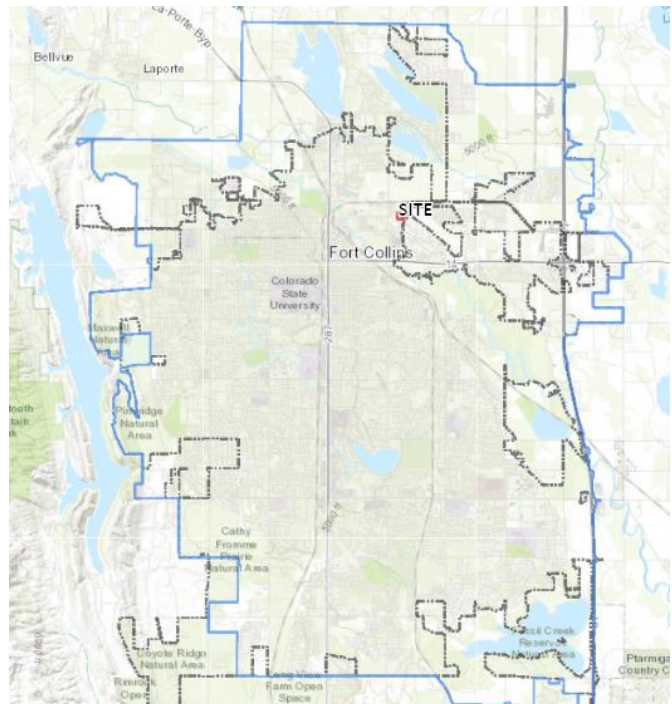
Overview

The proposed site for the Watermark North Lemay multifamily site is located in a northeast Fort Collins transition zone influenced by the Cache la Poudre River and its natural areas to the west, agricultural lands to the northeast, legacy industrial land use to the west and southeast, Poudre Valley Hospital to the south, and Old Town Downtown to the west southwest. The site is close to the city border with the county and the Growth Management Area (GMA). This area can best be described as a hodgepodge of land uses.

A closer view within roughly half to three quarters of a mile of the site shows land use dominated by a combination of big box, small independent industrial, large-scale brewing, newer higher density residential, and rural residential and agricultural lands. The old airport runway areas to the east are zoned as an employment center and the agricultural lands to the north and northeast are zoned for low and moderate density mixed use. Just to the east of the site, in the neighboring smaller unit industrial area, is the Fort Collins Creator Hub.

A cursory review of land that appears vacant and zoned industrial shows that within Fort Collins and a mile from the site there are approximately 50 acres, plus an approximate 135 acres Employment Zone on the abandoned airport runway. In total this equates to 185 acres available for industrial/light industrial within the city, near the proposed development site.

Outside the city, within the county GMA and within roughly a mile of the site are another 120 acres zoned industrial under Larimer County's zoning.



Key Findings from the Fort Collins City Plan

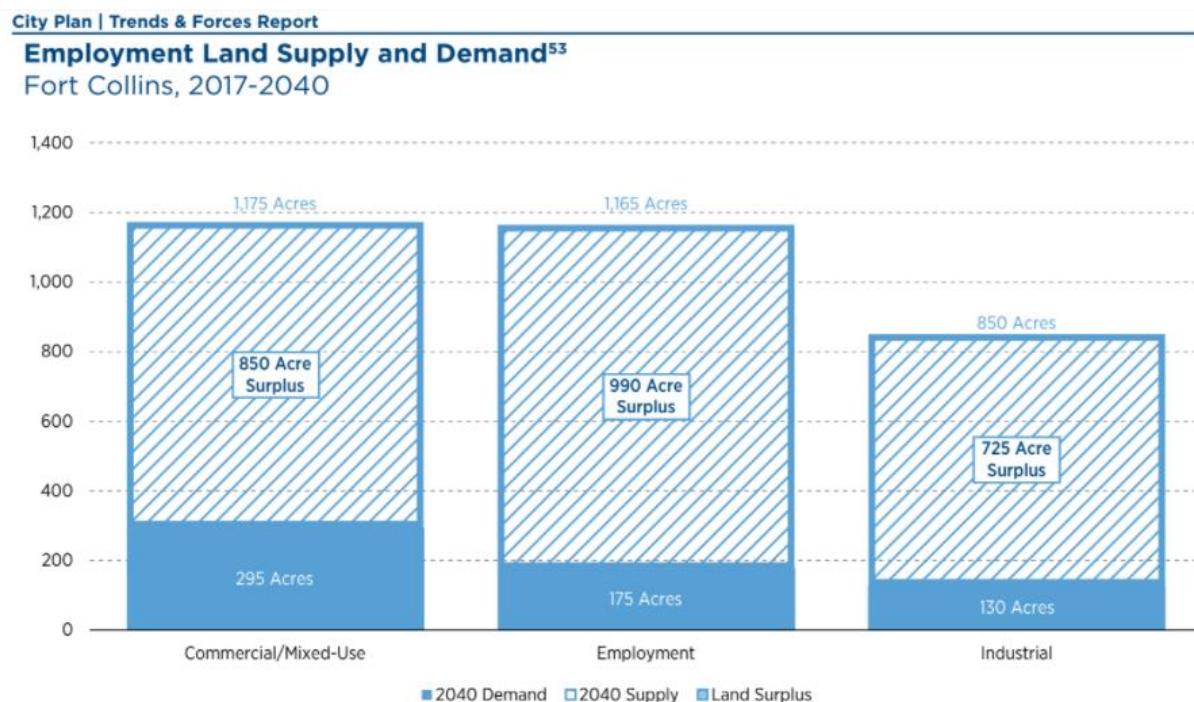
The “Fort Collins City Plan: Trends and Forces Report”, looked deeply into both “Buildout and Land Supply” and “Housing Access” for the City looking forward to 2040.

The diminishing amount of vacant land within Fort Collins is obviously a point of concern for the city. The City Plan warns, “vacant buildable land within Fort Collins and its GMA is becoming increasingly scarce” and it is forecasted that the city will “exhaust its supply of vacant land by 2040.” To deal with this issue, the city has “promoted a compact development pattern by encouraging higher densities in infill and redevelopment areas.”

The most pressing concern of the city’s development plans appears to revolve around this shrinking amount of vacant and buildable land and meeting future housing needs. In a stark observation the City Plan states, “The supply of land is not sufficient to meet our future housing needs”, and adds, “a forecast of future housing needs indicates that demand for housing will exceed the city’s capacity by around 2,000 units by 2040.”

Given the concerns of the City regarding providing sufficient residential space for its growing population, and the projection that demand will exceed capacity prior to 2040, the following chart illustrates from where the additional residential development will need to come. The only other available vacant land is slated for either “Commercial/Mixed-Use”, “Employment”, or “Industrial”.

The graphic below, taken from the City Plan, shows the total vacant land by use-type available today (on top of the box), the amount projected to be developed by 2040 (in the blue at the bottom), and the amount that is projected to still be vacant (i.e. “Surplus”) come 2040 (amount in the center).

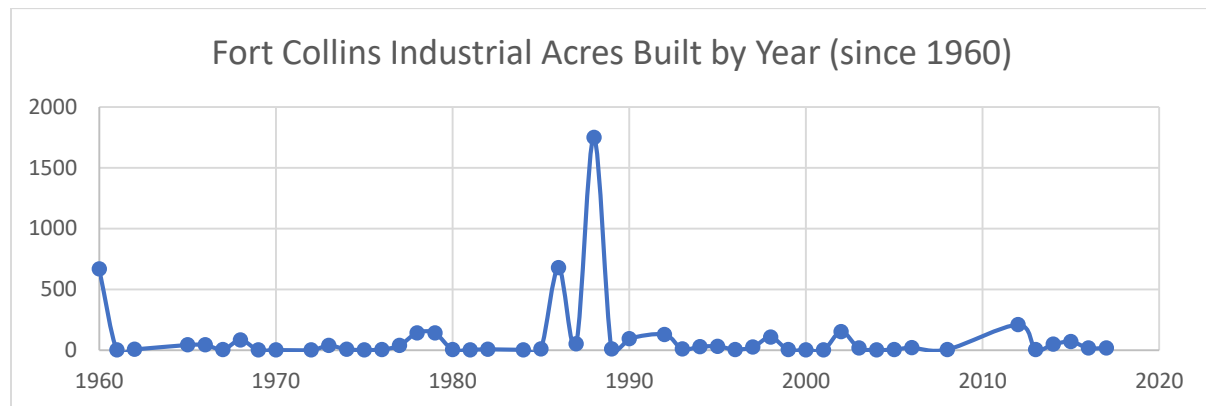


As can be seen, despite projecting that the land currently set aside for residential development will be exhausted by 2040, there is projected to be a “Surplus” of vacant land set aside for these other three categories, which includes industrial. Any additional residential development will need to come from one of the other areas.

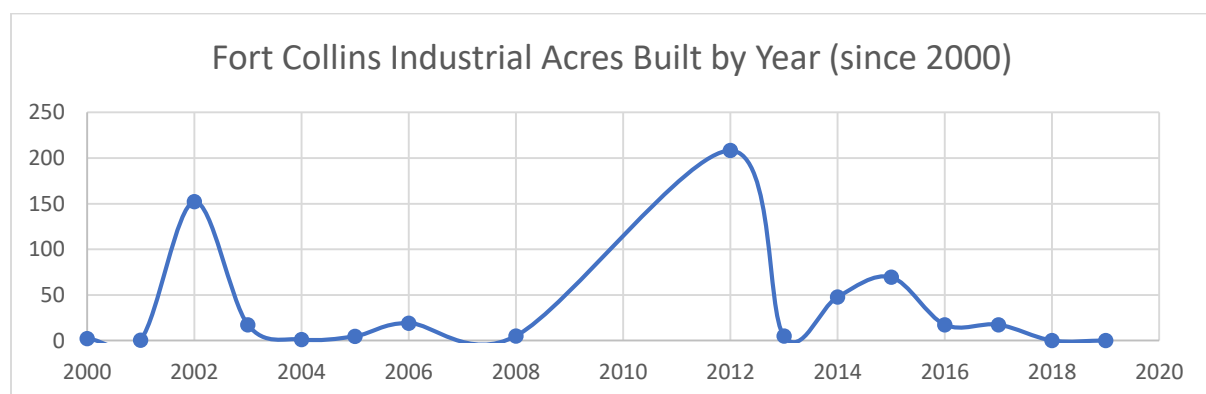
It is of interest that so much vacant land is set aside for industrial development. Currently, industrial land only accounts for 3% of land use in Fort Collins. However, 12% of current vacant land has this designation.

Fort Collins Industrial Land Absorption since 2000

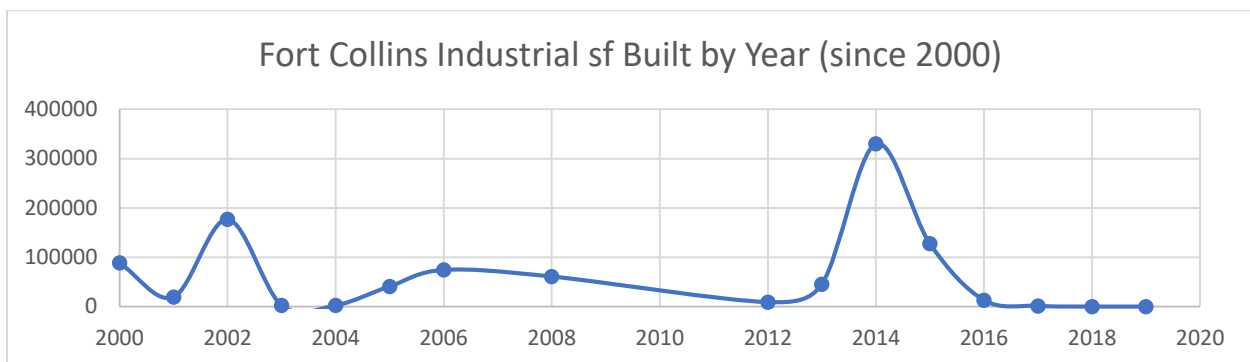
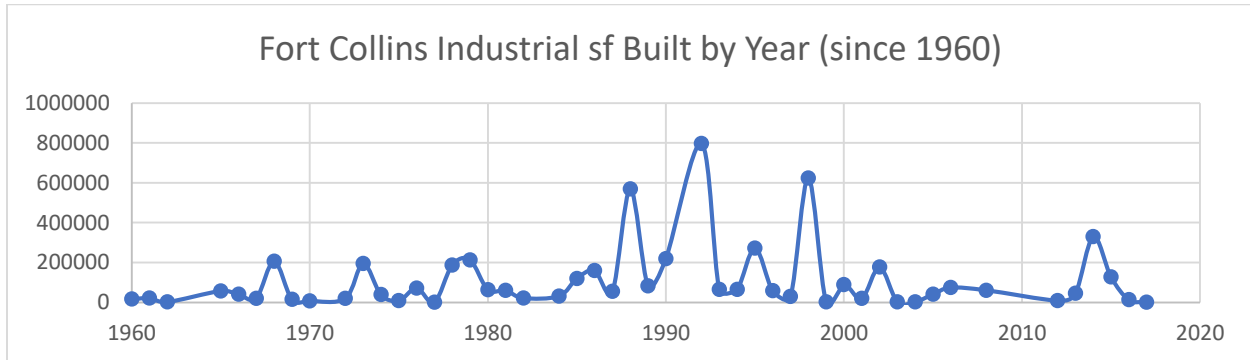
Reviewing data on all of the parcels in Fort Collins, from the Larimer County Assessor’s Office, we see that industrial construction has been minimal in Fort Collins since seeing a boom in the late 1980s (see chart below). Industrial construction peaked at 1750 acres of development in 1988, but has since dropped below even pre-1980s levels, despite the significant growth in population in the City and area.



Between 1960 and 1980, the City saw an average of 72 acres of industrial development per year. Then, during the 1980 – 2000 years, this number increased to over 160 acres annually. However, since 2000, the number has dropped to only 35 acres, on average, per year of industrial development.



Development by square-footage presents a similar story. From 1960 to 1980, 66,093 square feet of industrial space was built, on average, annually. This spiked to over 126,000 sf between 1980 and 2000, before dropping to 62,038 sf between 2000 and 2020, and even further to 52,654 sf since 2010.



What we see is a significant decrease in the development of industrial space in Fort Collins since the late 1980s and early 1990s, despite a significant growth in population since that time (165,000 in 2020 and 87,000 in 1990).

Conclusion

There appears to be ample acreage, both in the immediate area as well as in Fort Collins, if an industrial facility desired to locate in the northeast area of Fort Collins, with good availability on multiple sites in the City and the GMA within one mile of the proposed development site. This, combined with the overall decrease in industrial development in the City and the diminishing availability of residential land, would indicate that this property would likely better serve the city as a residential development site than an industrial one. By developing the proposed site into multifamily residential housing close to numerous employment opportunities, healthcare, outdoor recreation, big box retail, and downtown Fort Collins, well-located residential requiring less travel on average would be created. This potentially supports multi-modal transportation and sustainability objectives. The proposed multifamily use appears to be a unique, desirable, and feasible opportunity for Fort Collins to generate residential development on an infill basis.

Appendix A: Current Land Use in Fort Collins and the GMA

Existing Land Use²⁵

Fort Collins & Growth Management Area, 2017

