

# AGENDA ITEM SUMMARY

City Council



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## STAFF

John Gerwel, Project Manager  
Dana Hornkohl, Capital Projects Manager

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## SUBJECT

**First Reading of Ordinance No. 022, 2025, Making a Supplemental Appropriation of a Development Contribution to Construction and Authorizing Transfers of Appropriations for the Willow Street Improvements – Linden Street to Lincoln Avenue Project and Related Art in Public Places.**

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## EXECUTIVE SUMMARY

The purpose of this item is to appropriate a development contribution to construction from the developer of the Bas Bleu Development to the Willow Street Improvements – Linden Street to Lincoln Avenue capital project (Project). The funds will be used for design services. If approved, this item will 1) appropriate \$29,545 received in 2025 as a development contribution to construction by an adjacent development and 2) appropriate \$295 (1%) of the development contribution to construction to the Art in Public Places (APP) program.

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## STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

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## BACKGROUND / DISCUSSION

In 2004, Bas Bleu Development, LLC entered into a Development Agreement (DA) with the City (Attachment 2). The DA laid out the requirements and conditions for the redevelopment of the Bas Bleu Theatre Company property at 401 Pine Street, with frontage on Willow and Pine streets. Section II.D.3 of the DA contemplated construction improvements on Willow and Pine streets and obligated the development to contribute \$50,000 to the City to for the design and construction of these improvements. This obligation was originally collected as non-expiring escrow rather than a payment. The escrow was grouped with other development bonding documents and was not reviewed again until an internal audit of these documents brought the escrow to staff's attention in 2024. Staff sought out the financial institution holding the escrow (First Western Trust) and determined it was still in place.

The City entered into successive intergovernmental agreements with the Downtown Development Authority (DDA) for the design and construction of two successive River District improvements projects: 1) Linden Street – Jefferson Street to the Poudre River (completed in 2011) and 2) Willow Street – Linden Street to the BNSF Railroad (completed in 2020). This second project constructed the improvements contemplated for Willow Street in the DA with the Bas Bleu Development. The Pine Street improvements have never been constructed as there has never been a second phase of Bas Bleu redevelopment.

Once the escrow was discovered as part of a 2024 audit of development bonding documents and determined to be available for collection, staff sought to calculate the payment due for the Willow Street improvements. In negotiating with First Western Trust, this amount was determined to be \$29,545. A letter to First Western Trust (Attachment 3) details this amount and Bas Bleu’s remaining obligation for the design and construction of the Pine Street improvements.

The City is contemplating a new IGA with the DDA for the Project to design the next phase of improvements along Willow Street between Linden Street and Lincoln Avenue. As the western section of Willow Street improvements is complete, staff believe the Bas Bleu development contribution to construction may be appropriated to this next phase of the Project. It is contemplated that once the IGA with the DDA is finalized and reviewed by the City Attorney’s Office, a resolution will be brought before City Council for seeking execution of the IGA and appropriation of the other funding identified in the IGA.

**CITY FINANCIAL IMPACTS**

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The following table is a summary of the proposed funding appropriation for the Willow Street Improvements – Linden Street to Lincoln Avenue Project.

<b>Funds to be Appropriated per this Action</b>	
Development Contributions to Construction	\$ 29,545
<b>Total Funds to be Appropriated per this Action</b>	<b>\$ 29,545</b>
<b>Transfer to Art in Public Places</b>	<b>\$ 295</b>
<b>Total Project Funds</b>	<b>\$ 29,545</b>

The total fund amount projected for the Project is \$29,545 composed of funds appropriated with this action.

**BOARD / COMMISSION / COMMITTEE RECOMMENDATION**

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None currently.

**PUBLIC OUTREACH**

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None currently. Staff will work with the Communications and Public Involvement Office to develop and implement a comprehensive public engagement plan for the Project.

**ATTACHMENTS**

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1. Ordinance for Consideration
2. Development Agreement
3. Letter to First Western Trust