

AGENDA ITEM SUMMARY

City Council



STAFF

Andy Smith, Redevelopment Manager

SUBJECT

Resolution No. 153 Authorizing the Use of Eminent Domain to Acquire Property and Associated Interests Located at and Related to 1513 North College Avenue, Fort Collins, Colorado.

EXECUTIVE SUMMARY

The purpose of this item is to authorize URA Staff to use eminent domain to acquire the property located at 1513 North College Avenue.

STAFF RECOMMENDATION

Staff recommend approval and adoption of the resolution.

BACKGROUND / DISCUSSION

The property located at 1513 North College Avenue (Property) operated as a 31-room motel known as the Budget Host until earlier this year. During operations as a motel, the Property had been the location of criminal activity and an assortment of code violations. Through due diligence the property was found to contain significant evidence of methamphetamine contamination and asbestos.

In January 2025, the Fort Collins Urban Renewal Authority (Authority) Board authorized execution of a Purchase and Sale Agreement (PSA) for a purchase price of \$2.15 million. Most recently, staff have provided the Property owner (Seller) with an amended PSA that includes a credit for the cost of abatement and demolition of the property of \$521,400 for a revised purchase price of \$1.64 million. At time of print, the Seller has not agreed to this revised PSA and the reduced price.

At this time, the significant gap between the terms and purchase price offered by the URA and the price required by the property owner is likely too large to be resolvable in a reasonable amount of time. Meanwhile the property continues to deteriorate and contribute to the blight conditions in the plan area. Therefore, the Authority Board is presented with this Resolution to authorize the use of eminent domain to acquire the Property as an alternative to a negotiated purchase.

It is understood that negotiations between a willing seller and willing buyer are to continue and remain the preferred manner of acquisition by the URA Board, however an alternative process may be necessary.

Finally, between August 20, 2025 and August 26, 2025, URA Staff conducted a visual survey of the property located at 1513 North College Avenue to determine if blight conditions remain. According to the forthcoming memo ("Condition Survey Update"), blight conditions continue to exist at the property.

CITY FINANCIAL IMPACTS

Undetermined, however, the current offer is for \$2.05 million, and demolition is estimated at \$500,000. Therefore, a strong argument can be made that the maximum exposure would be approximately \$1.6 million.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Resolution No. 153