

AGENDA ITEM SUMMARY

Urban Renewal Authority



STAFF

Josh Birks, Acting Executive Director
Wendy Bricher, Financial Analyst II
Andy Smith, Redevelopment Manager

SUBJECT

Public Hearings and Consideration of Items Relating to the 2025 and 2026 URA Budgets.

EXECUTIVE SUMMARY

A. Resolution No. 151, Adopting a Supplemental 2025 Budget Resolution for the Fort Collins Urban Renewal Authority

B. Resolution No. 152, Adopting the 2026 Budget for the Fort Collins Urban Renewal Authority

The purpose of these resolutions is for the Board to consider two budget offers for the Urban Renewal Authority (URA) that Staff submitted as part of the City's Budgeting for Outcomes (BFO) process earlier in 2024. The first offer covers the costs of performing core functions of the URA. The second offer is for the URA's debt service payments. Combined and with updated amendments from the original offers, the total original appropriation for the 2026 URA budget would be \$7,165,184. After these expenses, both the North College and Prospect South plan areas would generate excess revenues. Staff forecasts \$2.7 million in available cash in the North College plan area and \$2.5 million in available cash for the Prospect South plan area by the end of 2026.

The available cash balance in North College assumes that three additional purchases in 2026 will be approved and appropriated separately for approximately \$4.98 million (subject to change if needed).

In addition, staff propose an amendment to the 2025 Budget for an increase of \$4,530,035. This amendment is intended to cover the additional costs associated with due diligence and potential acquisition of five properties in the North College District in 2025, the Revolving Loan and Grant for 302 Conifer, and the net increase in Debt Service for the 2025 Bond repayment.

STAFF RECOMMENDATION

Staff recommend adoption of the Resolutions.

BACKGROUND / DISCUSSION

The budget offer consists of two elements: operational costs and debt service. Both elements are ongoing budget offers, meaning they are essential to running the day-to-day operations of the URA. Operational costs cover the costs of staffing, insurance, and retaining legal counsel, amongst other costs. The debt service budget offer covers payments of all outstanding debt for all plan areas.

The URA budget, as adopted by its Board, will be incorporated into the City's budget when presented for adoption by City Council in August 2025 (revision ordinance).

The table below summarizes the amount of money staff seeks for appropriation to fund these budget offers and a comparison to the 2025 budget:

Offer Name	2025 Budget Request	2026 Original Budget Request	2026 Amended Budget Request
Offer 45.1 - URA Core Offer	978,152	726,400	1,058,983
Offer 45.2 - URA Debt Service	\$4,206,944	\$4,056,573	\$6,106,201
TOTAL	5,185,096	4,782,973	7,165,184

Changes in the original 2026 URA budget compared to the 2026 Revised Budget Request include:

- Updated property tax TIF revenue and developer repayment for Foothills Mall based on preliminary November 2024 report. Updated all TIF revenues per November 2024 Warrant.
- Added additional personnel support for NC and small incremental increases for inflationary costs as well as property liability insurance.
- Added a temporary increase in interim costs associated with ownership of anticipated 5 properties in 2026. This covers maintenance, security and liability costs associated with those properties.
- Updated NC Bond repayment schedule associated with the new Bonds issuance in July 2025.

Both the North College and Prospect South plan areas will generate excess revenues with the current proposed budget. By the end of 2026, North College is anticipated to have nearly \$5.6 M Fund balance while Prospect South will have close to \$2.9 million in Fund balance. The Foothills Mall plan area passes TIF revenues to the Foothills Metro District, leaving the URA with no excess revenues to invest in other priorities. Fund balance in Foothills is due to interest earned and will be used to help cover Admin or legal costs for Foothills as needed.

Expense Type	North College	Prospect South
Cash Inflows 2026	\$4,300,188	\$912,360
Cash Outflows 2026	(\$8,777,352)	(\$503,516)
Net Change in Cash 2026	(\$4,477,164)	\$408,844
Projected Ending Fund Balance 2025	\$10,135,522	\$2,509,445
Projected Ending Fund Balance 2026	\$5,658,358	\$2,918,289
Restricted Cash Balance 2026	(\$2,965,250)	(\$328,500)
Net Available Cash Balance Ending 2026	\$2,693,108	\$2,589,789

Collections of TIF revenue are on track with estimates for 2025. With the County Assessor reassessing property values in 2021 and the URA collecting property taxes a year in arrears, staff expect stable revenues through 2026.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

The URA Finance Committee discussed this item on August 14 and recommended it proceed to the Board for consideration, along with more detail regarding the \$203,359 for estimated annual property maintenance costs (see page 5 of the staff presentation).

AUTHORITY FINANCIAL IMPACTS

2026 URA budget of \$7,165,184.00.

An amendment to the 2025 Budget (increase of \$4,530.035.00)

PUBLIC OUTREACH

None.

ATTACHMENTS

1. URA Budget Offers
2. Budget Details & URA District Forecasts
3. TIF Revenue Summary
4. AIS Attachment - URA District Forecast Updated 080125
5. Staff Presentation
6. Resolution No. 151, 2025 Budget Amendment
7. Resolution No. 152, 2026 Budget