

AGENDA ITEM SUMMARY

City Council



STAFF

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SUBJECT

Second Reading of Ordinance No. 108, 2026, Amending Section 3-85 of the Code of the City of Fort Collins for the Purpose of Expanding the Distance Exemption for Liquor Licenses for Schools and Colleges.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on August 18, 2026, amends City Code Section 3-85 to expand the exemption for the 500-foot radius buffer beyond application to areas around Colorado State University ("CSU"), to include other schools and colleges that choose to locate within mixed-use or non-residential areas that are intended for commercial use. This proposed Code update would permit continued City liquor license issuance within these areas intended for and supporting businesses and restaurants, in accordance with all other applicable requirements, even if a school or college is present.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

FIRST READING BACKGROUND / DISCUSSION

Staff has identified a recent trend of new or expanding charter schools in the Development Review SPAR (Site Plan Advisory Review) process that is resulting in some schools that are located in commercial and industrial/employment areas. In locating in such areas, these new schools *do not impact existing* liquor licenses that may be on the same premises or on nearby properties, or the transfer of an existing license; however, a school locating in such an area would preclude the City's ability to issue any new liquor licenses on that property (in the case of a shopping center) or within 500 feet of the school. This impacts businesses and property owners, and has been cause for two prospective licensees, that staff is aware of, with small local businesses to be forced to seek different locations – sometimes after having signed a lease and invested in the tenant space.

Existing restaurant space, in particular, has high value for reestablishing another restaurant given the specialized systems that may be in place or ready to use, such as electric capacity, kitchen equipment, walk in refrigeration units, fire suppression systems, floor drains, ventilation hoods, grease traps, and other specialty plumbing and electrical needs. In Fort Collins, many of our restaurants tend to be local, small businesses, and these commercial spaces serve as valuable real estate for the business community. Staff wants to ensure that these spaces remain available for the "next" local restaurant to establish and flourish.

The City does not have the jurisdiction to regulate the location of public schools, but is provided the ability to create exemptions from the state statutes that dictate liquor licensing distance requirements, and has done so for the primary Colorado State University campus since 1997 (Ordinance No. 117, 1997), allowing such commercial areas as Campus West, College Avenue and Laurel Street, along South College Avenue, and the College Avenue and Prospect Road areas to flourish as busy commercial corridors and activity areas with a variety of restaurants and businesses that serve the community.

The proposed Code amendment would expand a similar exemption to all “colleges, universities or seminaries” (C.R.S. Section 44-3-313(1)(d)(III)). This definition would encompass Front Range Community College, private institutions such as IBMC or trade and vocational schools. This Code amendment would also apply to “public or parochial schools” such as Poudre School District, charter schools, and St. Joseph’s Catholic School. This will allow commercial centers or sites that are otherwise appropriately zoned and in compliance with all other applicable codes and criteria, to be eligible for the applicable liquor license.

This extended exemption would only apply to locations that would otherwise permit a business or use to obtain a liquor license, remaining in compliance with all other applicable municipal and land use codes, such as zoning.

Staff discovered that Boulder created exemptions for University of Colorado and Naropa University – limiting to certain classes of licenses, namely hotel-restaurant, and beer and wine. Colorado Springs and Golden adopted exemptions for all “schools, colleges, universities or seminaries” for hotel and restaurant licenses.

To simplify Fort Collins’ Code update:

- no substantive changes are proposed to the current language regarding Colorado State University (CSU) – there was reorganization of the existing code language to expand the applicability of the prescribed distance restrictions to additional areas in the city, and
- no additional specific license type restrictions are proposed, beyond those that currently apply to CSU, thereby retaining the full breadth of review and determination criteria and discretion granted to the Liquor License Authority, as it may apply to a specific license type and location context.

CITY FINANCIAL IMPACTS

No direct impacts. This amendment would support local liquor stores, retailers, and restaurant businesses, and continued sales tax revenue would be anticipated.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

Economic Development and Planning staff collaborated with a host of internal and external stakeholders, including City Clerk’s Office, City Manager’s Office, City Attorney’s Office, Police Services, Economic Advisory Board, Planning and Zoning Commission, Poudre School District, Front Range Community College, the Chamber/LLAC, Downtown Development Authority (“DDA”), and individual charter schools.

City staff provided information (including redlined and clean proposed code language) and actively reached out to Poudre School District administrators as well as specific correspondence with each of 11 public charter schools that staff are aware of. Staff received no inquiries or responses from any of the school or district contacts.

Staff also informed the Local Legislative Affairs Committee at the Fort Collins Area Chamber of Commerce, the DDA, and Front Range Community College operations leadership.

No specific outreach or meetings have been held with the general public.

ATTACHMENTS

First Reading attachments available in August 18, 2026, agenda materials at the following link:
<https://fortcollins-co.municodemeetings.com/>.

1. Ordinance No. 108, 2026