

AGENDA ITEM SUMMARY

Urban Renewal Authority

STAFF

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SUBJECT

North Mason Stormwater Improvement Project.

EXECUTIVE SUMMARY

The Fort Collins Urban Renewal Authority (“Authority”) has been asked to partner with the City of Fort Collins to fund a long-planned stormwater infrastructure improvement project (“Project”) along North Mason Street within the North College Urban Renewal Plan Area. The Project has been in the planning process for 20 years, with the Authority involved in financial contributions and ongoing planning efforts. The total Project cost is estimated to be **\$18.3 million** and the total Authority investment requested is **\$7.3 million**.

STAFF RECOMMENDATION

To authorize Authority staff and legal counsel to negotiate an Intergovernmental Agreement (“IGA”) with the City of Fort Collins approving a contribution from the Authority in an amount between **\$4.3 - \$4.7 million** to fund right-of-way acquisitions and a portion of the proposed stormwater infrastructure improvements. The actual “not to exceed” amount is to be determined by identifying logical Project milestones and “cut points” and also establish a timeframe with deadlines for commencement and completion.

BACKGROUND / DISCUSSION

The Authority has a long history of strategic financial partnerships with the City of Fort Collins to accelerate or enable public infrastructure projects in the North College Urban Renewal Plan Area. These partnerships include:

- North College Ave Streetscape Project
- Northeast College Corridor Outfall Project
- Poudre River Whitewater Park
- Vine & Jerome Enhanced Pedestrian/Bicycle Crossing

Specific to the Project area (see depiction below), a drainage analysis and report for the North Mason neighborhood was initially completed in 2006 by Ayres and Associates. The project area was known at that time as the North College Drainage Improvement District (NCDID). In 2017, the Authority funded an update to the analysis, and in 2019 contributed to ongoing design work.



Through this analysis, the North Mason Street neighborhood was determined to lack stormwater infrastructure sufficient for redevelopment, meaningful renovations, or expansions of existing structures. Five logical steps have guided the work:

1. Design the basin and stormwater infrastructure (*complete*)
2. Determine a feasible location and alignment of the future infrastructure (*complete*)
3. Acquire the public right-of-way for the preferred alignment (*pending*)
4. Install the stormwater and outfall infrastructure (*future*)
5. Construct the streets and sidewalks (*future*)

In other words, the general objectives of the Project are to bring the area up to stormwater standards found in the rest of the City, encourage reinvestment in the neighborhood, build safe and walkable streets and sidewalks, and create a proud sense of place for residents.

The Project is ready to commence with the final three phases as described above, and the Authority is being asked to consider a financial partnership to complete the final steps:

- Right-of-way acquisitions
- Stormwater infrastructure and outfall construction
- Street/roadway design and construction

The total project cost is estimated to be **\$18.3 million** and the total Authority investment requested is **\$7.3 million**.

FUNDING CONCEPTS & FUND BALANCE

Currently, Authority staff are forecasting varying balances each year in the North College Urban Plan Area fund through the final revenue collection period in 2030, with an ending balance of approximately \$10.9 million in 2030. This is the total amount of money expected to be available to fund future investments including the Project and is net of pending and assumed acquisitions and other anticipated and expected expenses. Furthermore, the fund balances assume 2 percent assessed value increase at each biannual reappraisal.

Authority staff prepared four general funding concepts for consideration. In the following tables, note the annual “Revised Unallocated Cash Available”:

1. Full Contribution: This scenario would fully fund the partnership request and phase payments through 2029 according to fund balances and project progress.

	2026	2027	2028	2029	2030
Total Requested URA Contribution	\$ 7,300,000				
Unallocated Cash Available ^{1,2}	\$ 2,700,000	\$ 3,800,000	\$ 5,100,000	\$ 6,500,000	\$ 10,900,000
<i>Net Change in Cash</i>		<i>\$ 1,100,000</i>	<i>\$ 1,300,000</i>	<i>\$ 1,400,000</i>	<i>\$ 4,400,000</i>
Scenario 1 - Full Requested Contribution					
Starting Cash Balance	\$ 2,700,000	\$ 3,000,000	\$ 2,200,000	\$ 1,500,000	\$ 3,600,000
Expenditure of Contribution					
Right-of-Way Property Acquisition	\$ (800,000)	\$ -	\$ -	\$ -	\$ -
Stormwater Outfall Construction	\$ -	\$ (2,100,000)	\$ (2,100,000)	\$ -	\$ -
Roadway Construction	\$ -	\$ -	\$ -	\$ (2,300,000)	\$ -
Total Annual Contribution	\$ (800,000)	\$ (2,100,000)	\$ (2,100,000)	\$ (2,300,000)	\$ -
Revised Unallocated Cash Available	\$ 1,900,000	\$ 900,000	\$ 100,000	\$ (800,000)	\$ 3,600,000

2. Stormwater Only: This scenario is less than total request and would be limited to stormwater infrastructure improvements only and not include the right of way acquisitions or street improvements.

	2026	2027	2028	2029	2030
Total Requested URA Contribution	\$ 4,200,000				
Unallocated Cash Available ^{1,2}	\$ 2,700,000	\$ 3,800,000	\$ 5,100,000	\$ 6,500,000	\$ 10,900,000
<i>Net Change in Cash</i>		\$ 1,100,000	\$ 1,300,000	\$ 1,400,000	\$ 4,400,000
Scenario 2 - Stormwater Only					
Starting Cash Balance	\$ 2,700,000	\$ 3,800,000	\$ 3,000,000	\$ 2,300,000	\$ 6,700,000
Expenditure of Contribution					
Right-of-Way Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -
Stormwater Outfall Construction	\$ -	\$ (2,100,000)	\$ (2,100,000)	\$ -	\$ -
Roadway Construction	\$ -	\$ -	\$ -	\$ -	\$ -
Total Annual Contribution	\$ -	\$ (2,100,000)	\$ (2,100,000)	\$ -	\$ -
Revised Unallocated Cash Available	\$ 2,700,000	\$ 1,700,000	\$ 900,000	\$ 2,300,000	\$ 6,700,000
Remaining Contribution	\$ 4,200,000	\$ 2,100,000	\$ -	\$ -	\$ -

3. Limited Area (South of Hickory): This scenario is less than the total request and would limit the Authority investment to the improvements south of Hickory Street.

	2026	2027	2028	2029	2030
Total Requested URA Contribution	\$ 4,600,000				
Unallocated Cash Available ^{1,2}	\$ 2,700,000	\$ 3,800,000	\$ 5,100,000	\$ 6,500,000	\$ 10,900,000
<i>Net Change in Cash</i>		\$ 1,100,000	\$ 1,300,000	\$ 1,400,000	\$ 4,400,000
Scenario 3 - South of Hickory to Railroad					
Starting Cash Balance	\$ 2,700,000	\$ 3,000,000	\$ 3,300,000	\$ 1,900,000	\$ 6,300,000
Expenditure of Contribution					
Right-of-Way Acquisition	\$ (800,000)	\$ -	\$ -	\$ -	\$ -
Stormwater Outfall Construction	\$ -	\$ (1,000,000)	\$ (1,000,000)	\$ -	\$ -
Roadway Construction	\$ -	\$ -	\$ (1,800,000)	\$ -	\$ -
Total Annual Contribution	\$ (800,000)	\$ (1,000,000)	\$ (2,800,000)	\$ -	\$ -
Revised Unallocated Cash Available	\$ 1,900,000	\$ 2,000,000	\$ 500,000	\$ 1,900,000	\$ 6,300,000
Remaining Contribution	\$ 3,800,000	\$ 2,800,000	\$ -	\$ -	\$ -

4. Half of Requested Amount: This scenario is simply 50% of the total request.

	2026	2027	2028	2029	2030
Total Requested URA Contribution	\$ 3,650,000				
Unallocated Cash Available ^{1,2}	\$ 2,700,000	\$ 3,800,000	\$ 5,100,000	\$ 6,500,000	\$ 10,900,000
<i>Net Change in Cash</i>		<i>\$ 1,100,000</i>	<i>\$ 1,300,000</i>	<i>\$ 1,400,000</i>	<i>\$ 4,400,000</i>
Scenario 4 - Half of the Requested Amount					
Starting Cash Balance	\$ 2,700,000	\$ 3,400,000	\$ 3,650,000	\$ 2,850,000	\$ 7,250,000
Expenditure of Contribution					
Right-of-Way Acquisition	\$ (400,000)	\$ -	\$ -	\$ -	\$ -
Stormwater Outfall Construction	\$ -	\$ (1,050,000)	\$ (1,050,000)	\$ -	\$ -
Roadway Construction	\$ -	\$ -	\$ (1,150,000)	\$ -	\$ -
Total Annual Contribution	\$ (400,000)	\$ (1,050,000)	\$ (2,200,000)	\$ -	\$ -
Revised Unallocated Cash Available	\$ 2,300,000	\$ 2,350,000	\$ 1,450,000	\$ 2,850,000	\$ 7,250,000
Remaining Contribution	\$ 3,250,000	\$ 2,200,000	\$ -	\$ -	\$ -

Comparison: The four concepts, side by side.

	2026	2027	2028	2029	2030
Unallocated Cash Available ¹	\$ 2,700,000	\$ 3,800,000	\$ 5,100,000	\$ 6,500,000	\$ 10,900,000
<i>Net Change in Cash</i>		<i>\$ 1,100,000</i>	<i>\$ 1,300,000</i>	<i>\$ 1,400,000</i>	<i>\$ 4,400,000</i>
Scenario 1 - Full Requested Contribution					
Starting Cash Balance	\$ 2,700,000	\$ 3,000,000	\$ 2,200,000	\$ 1,500,000	\$ 3,600,000
Total Annual Contribution	\$ (800,000)	\$ (2,100,000)	\$ (2,100,000)	\$ (2,300,000)	\$ -
Revised Unallocated Cash Available	\$ 1,900,000	\$ 900,000	\$ 100,000	\$ (800,000)	\$ 3,600,000
Scenario 2 - Stormwater Only					
Starting Cash Balance	\$ 2,700,000	\$ 3,800,000	\$ 3,000,000	\$ 2,300,000	\$ 6,700,000
Total Annual Contribution	\$ -	\$ (2,100,000)	\$ (2,100,000)	\$ -	\$ -
Revised Unallocated Cash Available	\$ 2,700,000	\$ 1,700,000	\$ 900,000	\$ 2,300,000	\$ 6,700,000
Scenario 3 - South of Hickory to Railroad					
Starting Cash Balance	\$ 2,700,000	\$ 3,000,000	\$ 3,300,000	\$ 1,900,000	\$ 6,300,000
Total Annual Contribution	\$ (800,000)	\$ (1,000,000)	\$ (2,800,000)	\$ -	\$ -
Revised Unallocated Cash Available	\$ 1,900,000	\$ 2,000,000	\$ 500,000	\$ 1,900,000	\$ 6,300,000
Scenario 4 - Half of the Requested Amount					
Starting Cash Balance	\$ 2,700,000	\$ 3,400,000	\$ 3,650,000	\$ 2,850,000	\$ 7,250,000
Total Annual Contribution	\$ (400,000)	\$ (1,050,000)	\$ (2,200,000)	\$ -	\$ -
Revised Unallocated Cash Available	\$ 2,300,000	\$ 2,350,000	\$ 1,450,000	\$ 2,850,000	\$ 7,250,000

¹ Net of pending and assumed acquisitions, tactical urbanism investment, and other anticipated and expected expenses

REIMBURSEMENT CONCEPT

Authority staff conducted preliminary research into a creative concept whereby the Authority would be entitled to reimbursement for a portion of Project costs. Similar to existing City of Fort Collins development reimbursement programs, parcels that directly benefit from the improvements would be obligated to reimburse the Authority a proportional and relatively nominal amount of money upon redevelopment. In theory, these reimbursements could be regarded as receivables for the Authority to collect past the 2029 sunset or waived at the discretion of the Authority Board.

ECONOMIC IMPACT

Economic & Planning Systems, Inc., an economic and financial consultant with a long history of work for the Authority and City of Fort Collins, was engaged by Authority staff to analyze potential economic impacts and return on investment that could be realized if hypothetical redevelopment projects were to be stimulated by the Project. The report is attached as Attachment 1 and includes the following key findings:

- The planned and proposed stormwater improvements (detention pond, outfalls) will allow parcels west of College Avenue (to) develop without substantial costs to detain and treat stormwater on site.
- The planned right of way and roadway improvements will formalize parallel street network to College Avenue and will increase access for parcels west of College Avenue that improve their development viability.
- The potential development projects are estimated to generate \$1.3 million annual in property tax (to all districts).
- The commercial space in the projects is estimated to generate \$382,500 in annual sales tax (to the City).
- In aggregate, the projects can pay back (in the form of tax revenues) the cost of the Authority contributions in 7 years.
- The net tax generation benefit after 10 years is \$6.75 million.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

On February 12, 2026, Authority staff presented the Project to the Authority Finance Committee, seeking feedback and guidance. Key concerns and observations included:

1. What other Authority future investments or contributions are budgeted or being considered?

Staff response: The estimated \$10.9 million in unallocated future revenue takes into account (or, is net of) Authority operating expenses, anticipated or potential purchase of 1220 N College Ave and several properties near 1636 N College Ave, moderate potential improvements at 1636 to create temporary event space, the previously approved bike/ped improvements at the Jerome/Vine intersection, up to \$200k per year to compensate the Neighborhood Revitalization Partner for up to 5 years, and the previously disbursed \$3.22 million principal loaned to the developer of the middle income housing project at 302 Conifer Street.

2. What aspects of the Project will not occur (or will be delayed) absent the requested contribution from the Authority?

Staff response: The roadway improvements are not likely to be installed until private development occurs.

3. The “Reimbursement” concept is not desired.

Staff response: Acknowledged

4. What properties will be impacted by the proposed right-of-way acquisitions and to what extent?

Staff response: According to City staff, the preferred alignment was one of five considered, and minimizes the impact and costs, while not losing any engineering function. There are minimal (if any) impacts on residential properties. The approach to the non-residential properties has been to “equalize” the impacts, meaning similar and fair impacts that consider access/egress, property value, and property function. Please see Attachment #3, Right of Way Alignment and Summary.

The Finance Committee stated a preference for a phased contribution less than the full amount requested, in the \$4.3 - \$4.7 million range. Authority staff understood the general priority is to fund the right-of-way acquisitions, and then as much of the stormwater infrastructure as possible (note: one Committee member stated a preference to fund all the stormwater improvements).

AUTHORITY FINANCIAL IMPACTS

In to be determined phases, \$4.3 - \$4.7 million deducted from the estimated \$10.9 million North College Urban Renewal Plan fund balance that sunsets on December 30, 2029, leaving approximately \$6.2 - \$6.7 million available for future investments

PUBLIC OUTREACH

Since 2017, prior and ongoing discussions with multiple community groups, including those that occurred during the Community Investment Plan outreach discussions from 2019-2020.

ATTACHMENTS

1. EPS Return on Investment Report
2. Existing Condition Photos
3. Right of Way Alignment and Summary