

WORK SESSION AGENDA ITEM SUMMARY

City Council



STAFF

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SUBJECT FOR DISCUSSION

Financial Support for Construction & Demolition Facility in Larimer County.

EXECUTIVE SUMMARY

The purpose of this item is to discuss the City of Fort Collins' support- financial and otherwise- of Larimer County's Colorado Circular Communities Enterprise (C3) grant application to the Colorado Department of Public Health and Environment (CDPHE), which will enable the development and construction of a Construction & Demolition Processing Facility.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What feedback do Councilmembers have regarding the potential to invest up to \$1.5M of 2050 Climate Tax Revenue to support Larimer County in the development and construction of a Construction & Demolition Processing Facility, with the assumption that the facility will be designed and built in a manner that assists the City in reaching its waste and climate goals?

BACKGROUND / DISCUSSION

The City has established an aggressive goal to reach zero waste by 2030, meaning nothing goes to landfills; rather, waste gets reused, recycled and composted. To reach this goal, there are critical infrastructure investments needed in our region to receive, process and divert materials from the landfill into economically viable end markets.

Adopted in 2018, the regionally developed Solid Waste Infrastructure Master Plan (SWIMP) identifies the infrastructure and facility needs for Larimer County and the communities therein. Among the "Tier 1"- or highest priority- projects that are slated to move forward are the new Larimer County Landfill and the recently approved Central Diversion and Transfer Station (TS) facility. Additionally, the County is preparing to submit a grant application to the State of Colorado in February of 2025 that will significantly offset the costs of building a Construction & Demolition (C&D) Processing Facility, which is another one of the "Tier 1" projects identified in the SWIMP, and critical infrastructure for the City's zero waste pathway.

The estimated total cost for the project ranges between \$8.7M and \$10.5M, depending on state permitting requirements. The County will be requesting \$5M from the state and is looking to local partners to support the balance of the investment. Given the County's sizable investment in the landfill and transfer station, it

is likely to be economically infeasible for the County to also move forward with the C&D facility without the grant award from the State and financial assistance from local partners.

During the 2025/26 budget process the City made the intentional decision to leave approximately \$1.5M of the estimated \$5M in 2050 Climate Tax revenue for future opportunities. At a conceptual level, the C&D Facility appears to meet the intended use of the 2050 Climate Tax and serves as a critical step in advancing zero waste goals and mitigating climate pollution. Following C&D materials, the SWIMP identifies food scraps as the next major area of opportunity for waste reduction and greenhouse gas emissions reduction.

NEXT STEPS

Staff will engage with Larimer County to further understand the financial need for the construction of the C&D facility and assess how its construction will assist Fort Collins in achieving its zero waste goals in a manner that we can measure and validate.

Contingent on Council's feedback, staff will draft a letter of support for the County's grant application to the State which outlines financial commitments of the City, contingent upon the City's confirmation that this infrastructure investment materially impacts the City's ability to achieve its zero waste goals. Should the grant be awarded, staff would ask Council for an appropriation of the 2050 climate funds.

Staff will continue to work with the County and other partners to assess additional steps needed to advance goals related to food scraps and other compostable organic waste.

ATTACHMENTS

1. Presentation