

WORK SESSION AGENDA ITEM SUMMARY

City Council



STAFF

Dean Klingner, Director, Community Services
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SUBJECT FOR DISCUSSION

Southeast Community Center (SECC)

EXECUTIVE SUMMARY

The purpose of this item is to present four different options for budget and scope for the Southeast Community Center (SECC).

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What feedback do Councilmembers have on the proposed staff recommendation for scope and funding of the Southeast Community Center?

BACKGROUND / DISCUSSION

The Southeast Community Center project includes over 11 years of project development from the completion of a 2013 Feasibility study through today. Due to the volume of background information, this Agenda Item Summary presents the background in summary, not complete detail.

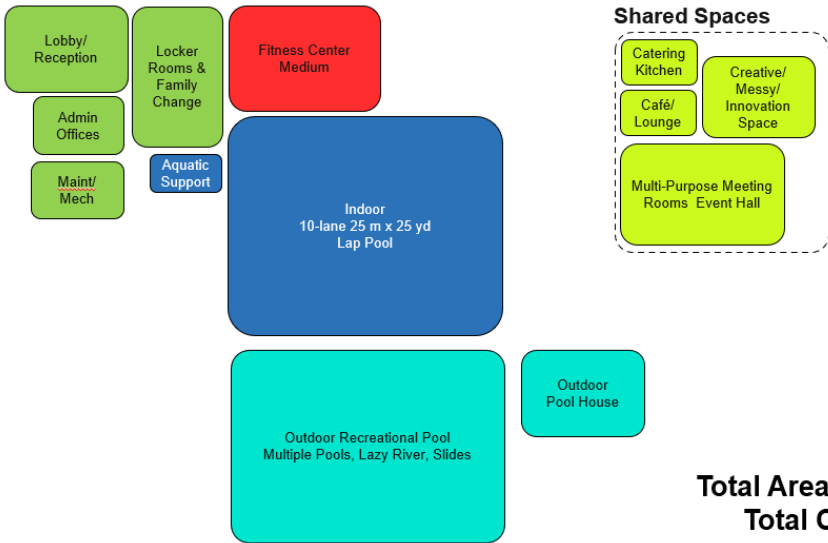
- In October of 2013, the City completed the “Fort Collins Southeast Community Recreation & Arts Center – Summary of Needs and Development Plan.” This study provides valuable information about the origination of the idea of a facility in SE Fort Collins, but is now old enough that it does not reflect current community needs.
- In April of 2015, the Community Capital Improvement Program (CCIP) ¼-cent sales tax passed and included an item for a “Southeast Community Center and Outdoor Pool.” The more detailed language read: “The Southeast Community Center with Outdoor Pool will build a Community Center in southeast Fort Collins focused on innovation, technology, art, recreation, and the creative process. The Center will also have a large outdoor leisure pool with water slides, sprays, jets, decks, a lazy river and open swimming area.”
- In January of 2021, Council adopted “ReCreate, Parks and Recreation Master Plan.” This document is the “north star” for guiding parks and recreation policy and investment and highlights the need and plan for a Southeast Community Center at a high level.

- In 2022, at Council’s request, the City completed a more detailed aquatics study to understand the demand, options and opportunities for public aquatics facilities in Fort Collins.
- In 2022, Council held two work sessions and a Council Finance Committee discussing this project. No decisions were made, and as a result of these meetings, City staff continued to work with the Poudre River Public Library District (PRPLD or "the Library") and Poudre School District (PSD) as potential partners and began to consider a larger facility than required in the ballot language that could be phased or funded through a future funding source.
- In November of 2023, the 2050 1/2-cent sales tax passed with the following ballot language: “50% for the replacement, upgrade, maintenance and accessibility of parks facilities and for the replacement and construction of indoor and outdoor recreation and pool facilities.”
- The 2023-24, City Budget included funds for project development and design. City staff have been actively working on this phase of the project since the 1st quarter of 2024. Progress to date has included hiring of an Owners Representative, a Design Firm / Architect, and a General Contractor and development of multiple scope and budget options.
- Staff presented four facility scope and budget options at Council Finance on February 6, 2025. Also presented, was a “funding stack” that used multiple funding sources to finance the options presented. The Council Finance Committee recommended that staff bring forward option 2b to the full Council at this work session as the recommended project. This was in alignment with staff’s recommended scope and budget that both met the intent of the 2015 CCIP ballot project, fulfilled the partnership commitment with both Poudre Libraries and PSD, could be funded with the identified funds, meets the Community Center level of service defined in the ReCreate Master Plan, and is comparable to the size and amenities in Fort Collins’ two other Community Centers. It also meets the gap of a community center in SE Fort Collins.

FACILITY OPTIONS

Option 1 – Not Recommended

Estimated Cost Recovery: 34 – 42%
Estimated Annual General Fund Subsidy: \$1.3 – 1.5M

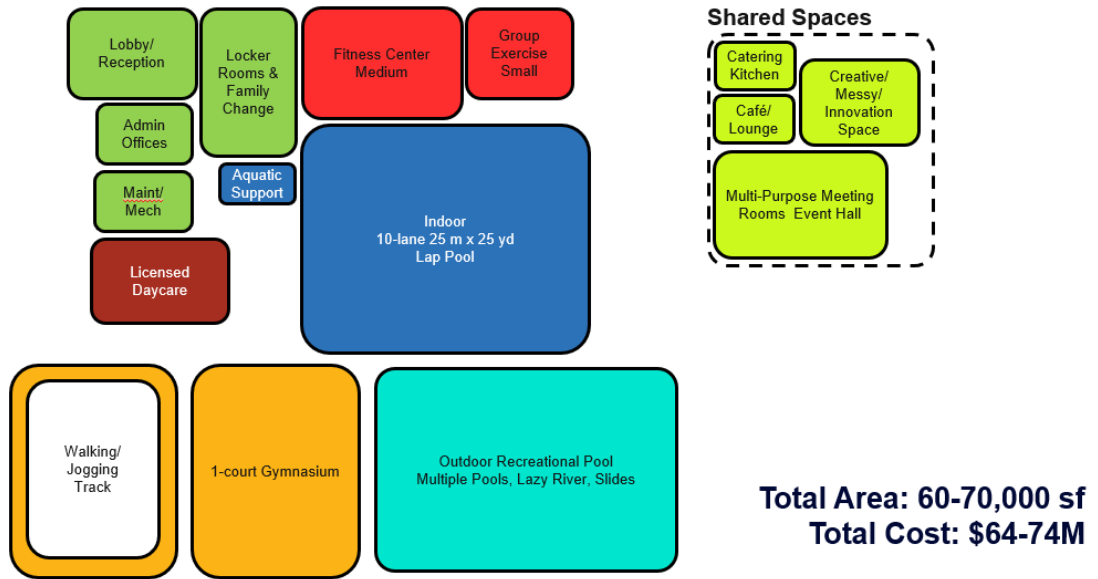


Total Area: 40-50,000 sf
Total Cost: \$51-61M

Staff believe this facility does not meet the intent of the 2015 CCIP ballot measure that called for a Community Center with outdoor pool. It also does not fill a gap of recreation spaces in SE Fort Collins. This facility also has the highest cost of ownership over a 30-year period due to its lack of recreation spaces to generate revenue.

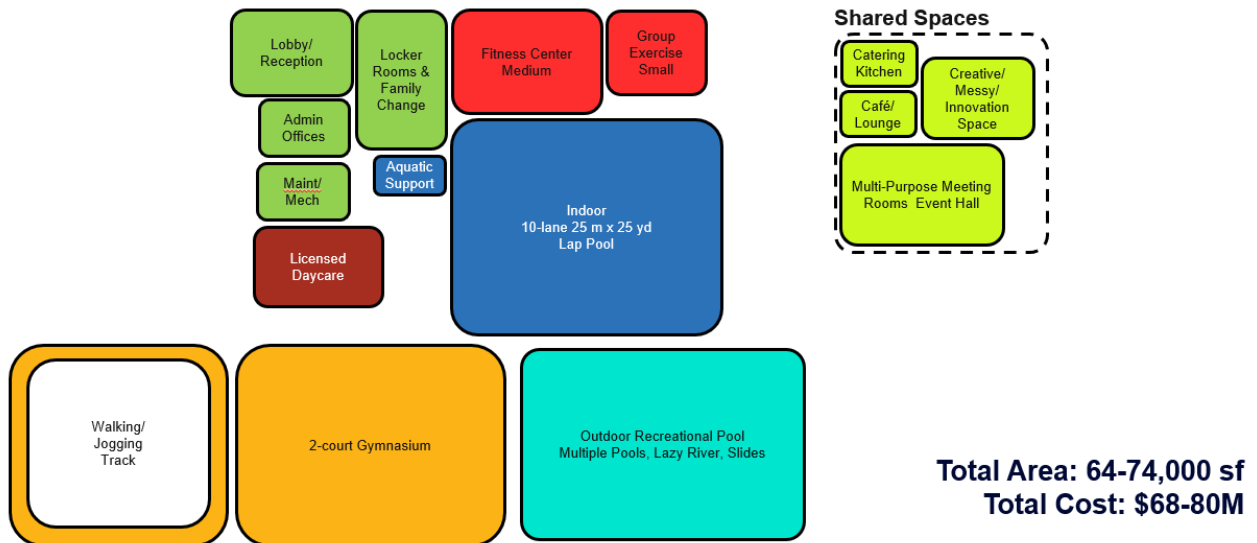
Option 2a – Not Recommended

Estimated Cost Recovery: 61 – 76%
Estimated Annual General Fund Subsidy: \$600,000 - \$900,000



Option 2b – Recommended

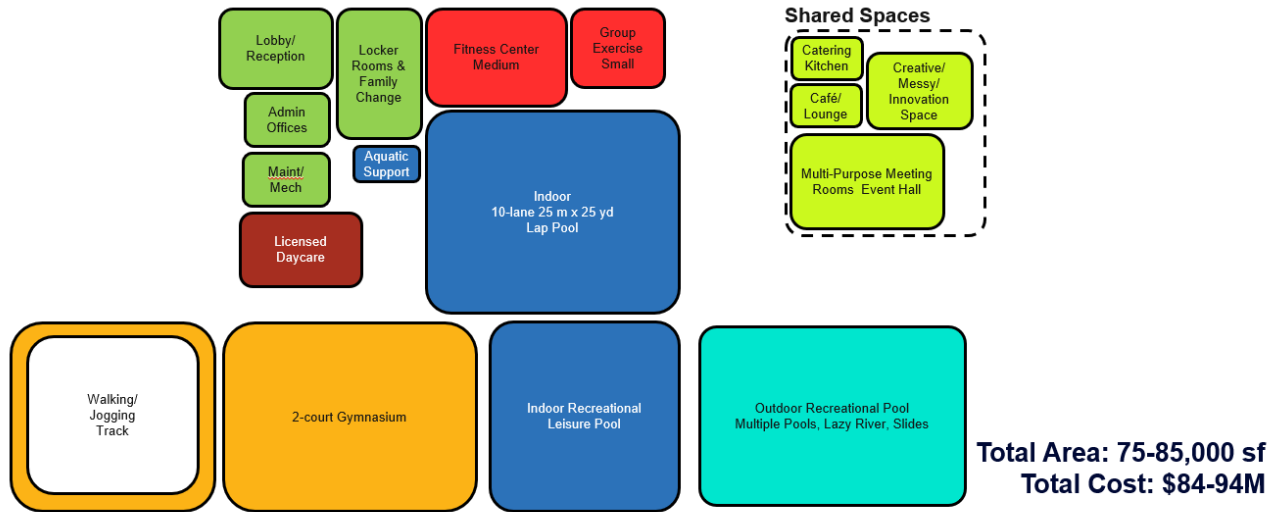
Estimated Cost Recovery: 66 – 82%
Estimated Annual General Fund Subsidy: \$450,000 – \$850,000



Option 2b is both staff and Council Finance Committee’s recommendation. This facility meets the intent of the 2015 CCIP ballot of a Community Center with Outdoor Pool. It is in alignment with the level of service identified in the ReCreate Master Plan and is comparable to Fort Collin’s two current Community Centers. This facility has the lowest cost of ownership over a 30-year period due to its strong ability to generate revenue from the multiple recreation options within the facility.

Option 3 – Not Recommended

Estimated Cost Recovery: 59 – 74%
Estimated Annual General Fund Subsidy: \$875,000 – \$1.4M



This facility meets the intent of the 2015 CCIP ballot of a Community Center with Outdoor Pool and meets the identified gap of an indoor leisure pool in Fort Collins. It is in alignment with the level of service identified in the Recreate Master Plan and brings indoor leisure aquatics to Fort Collins which would be highly utilized and appreciated by the community. Staff is hesitant to recommend this facility based upon previous Council member feedback of not putting “three pools” at the Southeast Community Center and the potential for future tradeoffs in the 2050 tax to fully fund the construction of this facility.

Funding “Stacks”

The design and construction of the SECC will come from a few different sources.

- Community Capital Improvement Program 2015 (CCIP) - \$18 Million
- CCIP Reserves - \$12-12.5 Million
- 2050 Tax - \$42-50 Million
- DOLA Grant - \$2 Million
- Recreation Reserves - \$1-3 Million

Potential Funding Scenarios (\$ in Millions)

| | | | |
|---|-------------|---------------|-------------|
| Bond against 2050 Tax Proceeds | \$27 | \$34 | \$40 |
| 2050 Tax Reserves | \$10 | \$10 | \$10 |
| CCIP Appropriated | \$18 | \$18 | \$18 |
| CCIP Reserves | \$12 | \$12 | \$12 |
| DOLA Grant | \$2 | \$2 | \$2 |
| Recreation Reserves | \$1 | \$2 | \$3 |
| Total City Funding for SECC | \$70 | \$77.5 | \$85 |
| <i>% of 2050 Parks & Recreation Share</i> | <i>13%</i> | <i>16%</i> | <i>18%</i> |

Assumptions

| | | | |
|-------------------------|------|------|------|
| Bond Years | 20 | 20 | 20 |
| Bond Rate | 5.0% | 5.0% | 5.0% |
| Net Taxable Growth Rate | 2.5% | 2.5% | 2.5% |

NEXT STEPS

Staff will be taking the budget and scope to the community on different options within the shared spaces and program opportunities in recreation spaces.

Staff will be speaking directly with the Parks & Recreation Advisory Board, Youth Advisory Board and Senior Advisory Board.

Staff will bring back a project update and appropriation request in the 2nd or 3rd quarter of 2025.

ATTACHMENTS

1. Presentation