

AGENDA ITEM SUMMARY

City Council



STAFF

Caleb Weitz, Chief Financial Officer
Ginny Sawyer, Policy & Project Manager
Joe Wimmer, Director Utilities Finance

SUBJECT

First Reading of Ordinance No. 009, 2026, Making Supplemental Appropriations of Revenue from the Quarter Cent Capital Tax and Authorizing Transfers of Appropriations.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate the first year of 2026-2035 quarter cent capital sales tax revenues for the ongoing program items and additional planning dollars. This appropriation will allow for the continuation of ongoing transportation capital programs and includes initial funding for the Affordable Housing Capital Fund and Community Bike Park.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

On November 4, 2025, voters approved Ballot Issue 2A, which extended for ten years a ¼ cent sales and use tax (the "Quarter Cent Capital Tax") to generate revenue to fund identified major capital projects and programs. This Quarter Cent Capital Tax, collected from January 1, 2026 to December 31, 2035, is projected to generate approximately \$11.0 million of annual revenue and will support the 18 projects and capital programs identified in the ballot language. Project schedules and appropriations are anticipated to be planned during the City's regular biennial budget cycles. Program funding planned for the first year of the temporary sales and use tax are off-cycle appropriations, as the 2026 fiscal year budget was already adopted.

In addition to this Ordinance No. 009, 2026, other appropriations for additional, stand-alone projects may come to Council for consideration at a future meeting in 2026, allowing sufficient time for planning and City Council input. (See **AIS Attachment No. 1**, "Ten-Year Project Package and Project Sheets (2026-2035)".)

Further, items relating to the \$2.5 million of funds appropriated for affordable housing by this Ordinance No. 009, 2026 will be brought to Council for its consideration at a future meeting. These resolutions, if approved, would authorize the execution of funding agreements between the City and Housing Catalyst and CARE Communities. (See **AIS Attachment No. 2**, "Affordable Housing Appropriation Detail - \$2.5 million Capital Tax 2026".)

2026 Programs/Projects Appropriation

Arterial Intersection Improvement & Streetscapes Program (\$643,000)

- This existing program provides an annual fund for improvements to arterial intersections and streetscape improvements as prioritized by safety improvements, multi-modal infrastructure needs, alignment with existing plans, and partnership opportunities

Bicycle Infrastructure & Overpass/Underpass Program (\$1,178,000)

- This program provides annual funding for construction of grade-separated bicycle and pedestrian crossings across roadways and for the implementation of projects identified in the Active Modes Plan, Vision zero plan, and that help achieve 15-minute city goals.

Pedestrian Sidewalk Program (\$1,500,000)

- This program provides annual funding to continue to support the decades-long compliance program to eliminate gaps in the City's pedestrian network and improve ADA compliance.

Transfort Bus Replacement & Stop Enhancements Program (\$315,000)

- This program provides annual funding to make ADA improvements and upgrades at bus stops throughout the City and will support the local match needed to replace Transfort buses over the next 10 years.

Affordable Housing Capital Fund (\$2,500,000)

- Staff recommends an initial appropriation of \$2.5 million to address known housing projects and funding gaps while a more comprehensive spending plan is developed.
- Additional detail regarding the \$2.5 million appropriation can be found in **AIS Attachment No 2**.
- Council-adopted Resolution 2025-104, providing direction on the priorities for the remainder of unallocated 2016-2025 capital tax funds and to be used within towards the Affordable Housing Capital Fund, an amount forecasted at \$5.0 million. This remaining balance on unexpended tax revenues from the previous, temporary sales tax is anticipated to be available to expend by mid-2026.

Community Bike Park (\$30,000)

- Given the outcome of the November 2025 ballot, staff is requesting initial funding to start planning and site feasibility in conjunction with Natural Areas, Parks, and Indigenous groups.

CITY FINANCIAL IMPACTS

These appropriations are supported by revenues from the dedicated Quarter Cent Capital Tax, which is forecasted to generate approximately \$11.0 million of annual revenue. These appropriations in Ordinance No. 009, 2026 also include necessary transfers to the respective City Funds where capital project expenses are recorded. Further, these appropriations include the one percent contributions to the Art in Public Places Program for capital projects meeting APP requirements.

The City Manager has determined that these appropriations are available and previously unappropriated from their designated City Fund and will not cause the total amount appropriated in those Funds to exceed the current estimate of actual and anticipated revenues.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

During development of the Ballot Issue 2A and the Quarter Cent Capital Tax project package associated therewith, staff engaged the following Boards/Commissions: Affordable Housing Board, Youth Advisory Board, Natural Resources Advisory Board, Land Conservation & Stewardship Board, Parks & Recreation Board, Transportation Board, Disability Advisory Board, Economic Advisory Board, Senior Advisory Board, Downtown Development Authority, and Human Relations Commission.

PUBLIC OUTREACH

Resident groups engaged during the Quarter Cent Capital Tax project package creation include the following: State of the City, Rotary Clubs, Leadership Fort Collins, Fort Collins Chamber groups, Friends of the Gardens, and CityWorks 101.

ATTACHMENTS

1. Ten-Year Project Package and Project Sheets (2026-2035)
2. Affordable Housing Appropriation Detail - \$2.5 million Capital Tax 2026
3. Presentation
4. Ordinance No. 009, 2026