



East Mulberry Plan & Potential Annexation

Council Work Session

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December 13, 2022

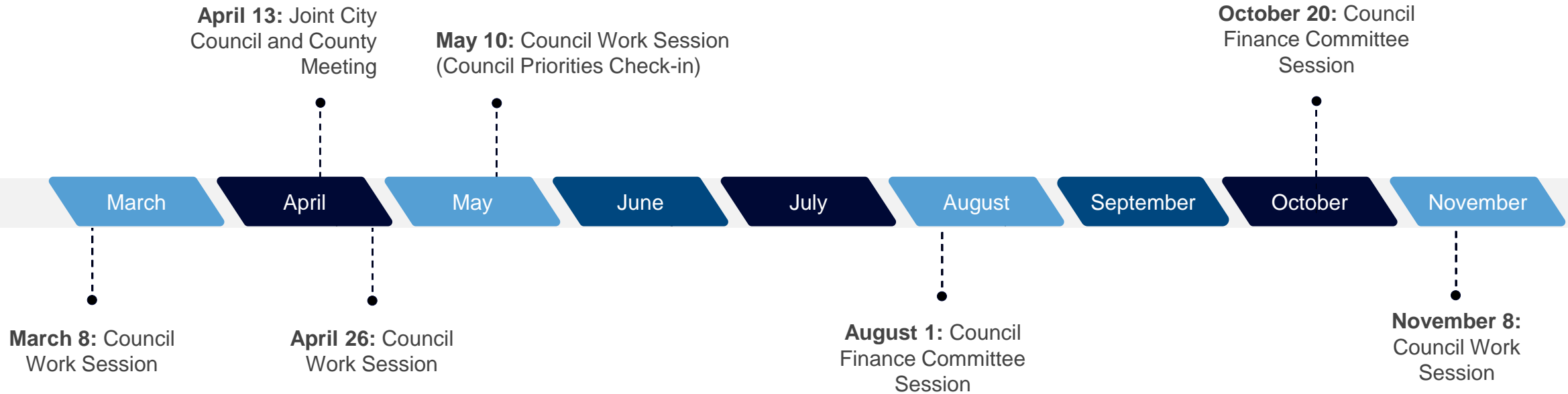
Questions:

- Does Council have feedback on a potential annexation approach based on tipping points?
- Does Council prefer a more targeted update or a full update of the East Mulberry Plan?



East Mulberry Plan – Where We've Been

2022



Council Session	Synopsis of Council Feedback	How Staff Applied Directives
<p>March 8 Work Session</p>	<ul style="list-style-type: none"> Carefully consider a potential annexation and explore other frameworks for a phased approach. 	<ul style="list-style-type: none"> Continued refinement of potential annexation phasing scenarios Temporarily paused the plan update effort
<p>April 26 Work Session</p>	<ul style="list-style-type: none"> Study and prepare a summary of lessons learned from the Southwest Enclave. Proceed cautiously with the potential annexation analysis with clear decision points for Council along the way. 	<ul style="list-style-type: none"> July 2022 memo focused on lessons learned from the Southwest Enclave Annexation. Summary of financial analysis at 8/1 Council Finance Session. Formulating strategies for plan update.
<p>August 1 Council Finance Committee</p>	<ul style="list-style-type: none"> Enhance the storytelling surrounding the financial scenarios and illuminate how opportunities and tradeoffs tie into Council and community priorities. 	<ul style="list-style-type: none"> Presented opportunities and tradeoffs by character area at 10/20 Council Finance Committee.
<p>October 20 Council Finance Committee</p>	<ul style="list-style-type: none"> Provide ranges of costs to inform future discussions. 	<ul style="list-style-type: none"> Cost ranges provided in AIS materials and summarized on the following slides.

August 1 Council Finance Committee Meeting:

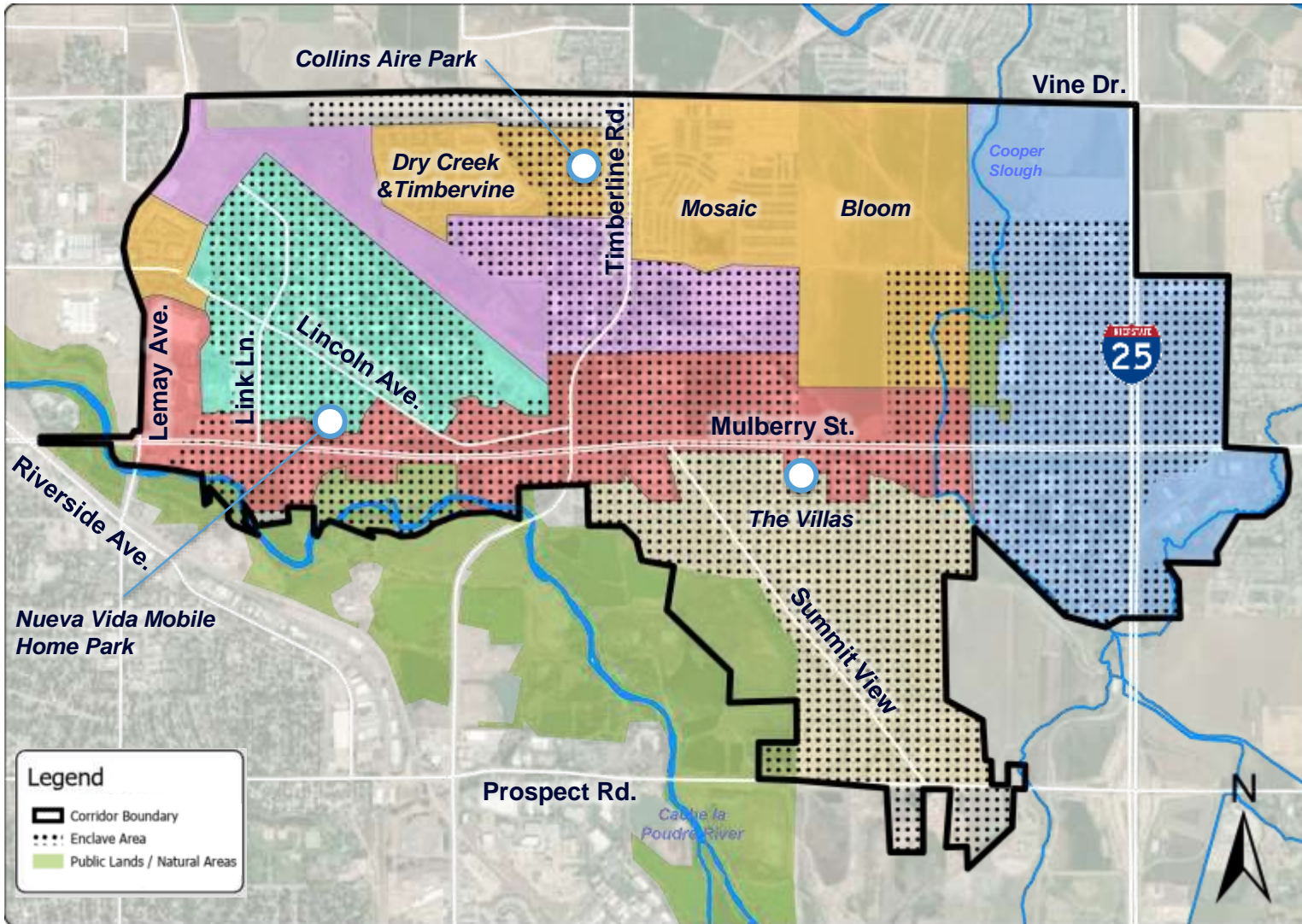
- Staff modeled a financial analysis framework for five subarea designations within a 20-year timeframe, separated into 5-year increments (immediate, short, medium, and long-term)
- Findings can be summarized as:
 - Costs outweigh revenue in the short term for both governmental and utilities sectors depending on upfront investment
 - Governmental functions will always represent a net cost to the City
 - Funding would come from a combination of ongoing revenue and new revenues from within the subarea
 - Federal funding such as IJJA or IRA represent an opportunity to cover some of the potential cost
 - The different sequencing options for annexation do not have a major impact on cost
 - While annexation phase timing allows for manageable cost ramp-up over time, it also exposes risk to higher costs long-term as infrastructure further degrades and inflation occurs

Governmental and Utilities: Range of fiscal impacts from scenario modeling






Governmental: 20-year View		
(\$M)	Range	Avg. / Yr.
Revenue	\$80 - \$210	\$4 - \$10
Expense	(\$115) – (\$265)	(\$6) – (\$13)
Margin	(\$35) – (\$55)	(\$2) – (\$3)

Utilities: 20-year View		
(\$M)	Range	Avg. / Yr.
Revenue*	\$75 - \$240	\$4 - \$12
Expense	(\$200) – (\$325)	(\$10) – (\$16)
Margin	(\$85) – (\$125)	(\$4) – (\$6)

* Note: Utility Revenues reflect current rate structures and don't include rate adjustments to cover added costs of potential acquisition.



Character Areas

-  Residential Character Areas (Estate and Mixed)
-  I-25 Gateway
-  Frontage
-  Airpark
-  Transitional

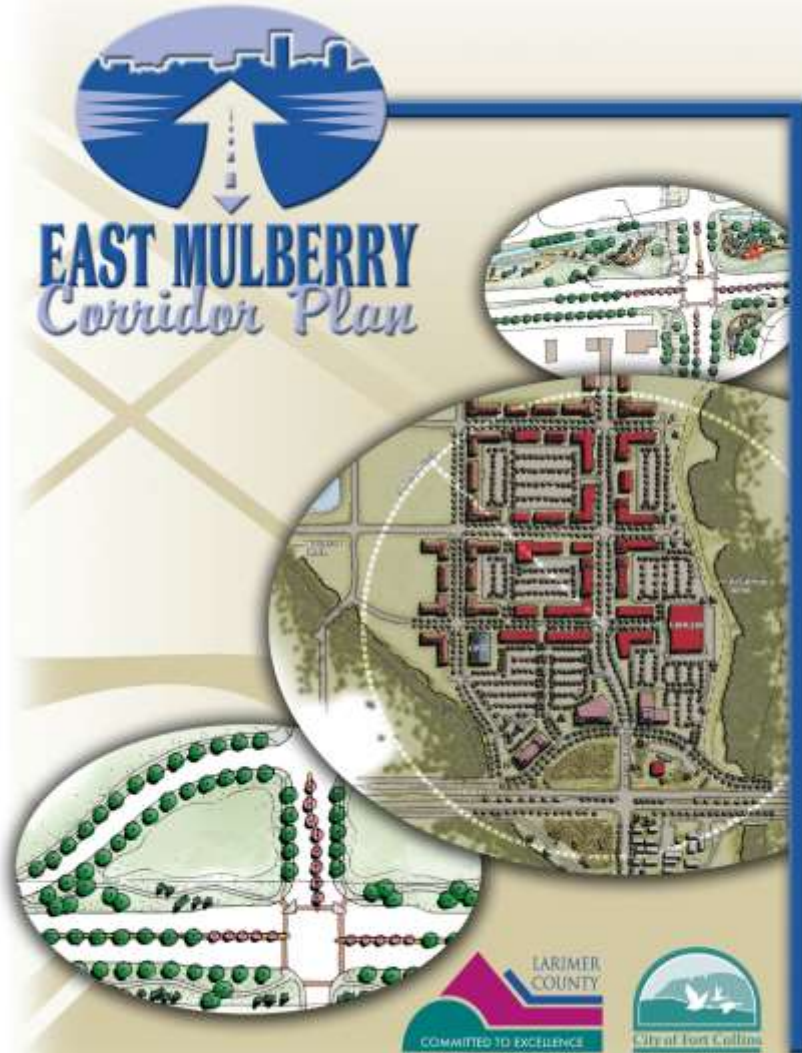
Opportunities and tradeoffs by Character Area were presented on October 20 at Council Finance Committee:

A Few Key Opportunities and Tradeoffs by Character Area Included:

Character Area	Opportunity	Tradeoff
Residential	Example: Preserve mobile home parks and other affordable housing options.	Example: Existing stormwater and street infrastructure to serve residential areas is sub-standard.
I-25 Gateway	Example: Enhance and preserve natural features like Cooper Slough, Dry Creek, and their associated buffers.	Example: City assumes responsibility and cost associated with higher police call volume near interchange.
Airpark	Example: Ability to support establishment, retention and expansion of existing small businesses. Support new business incubation, start-ups, and creative industries.	Example: City would inherit severely deficient or non-existent stormwater and roadway infrastructure, including frequent flooding issues.

Please refer to AIS materials for additional opportunities and tradeoffs for all five East Mulberry Plan Character Areas.

2002 East Mulberry Corridor Plan



- Jointly adopted by Fort Collins and Larimer County
- Primary plan objective was to implement the 1997 City Plan for the East Mulberry Corridor. Also addressed key issues such as:
 - Provision and maintenance of public facilities and services
 - Annexation
 - Costs of improvements
 - Redevelopment
 - Streetscape Design
- Plan acknowledges that continued growth and change may impact quality of life in the area
- Community members shared concerns about traffic congestion, safety, and infrastructure decline



Subarea Plans

- Provide geography-specific implementation strategies of broader city policies and goals
- Offer context-sensitive implementation and funding strategies that are more actionable and responsive to the specific needs of that area
- Address important issues and opportunities unique to a given area
- Land use guidance in subarea plans supersedes the City Plan Structure Plan



Why Update? Why Now?

- Respond to changed conditions after 20 years
- Creation of the enclave and eligibility for annexation occurred after the 2002 Plan was adopted (E. Mulberry Enclave was created in 2018, became eligible for annexation in 2021)
- Align with the 2019 City Plan update and other comprehensive plan documents
- Major new and planned developments that may be catalysts for other development in this area (Bloom and Peakview)
- The plan area still has substantial portions of undeveloped land or areas that are likely to redevelop in the future



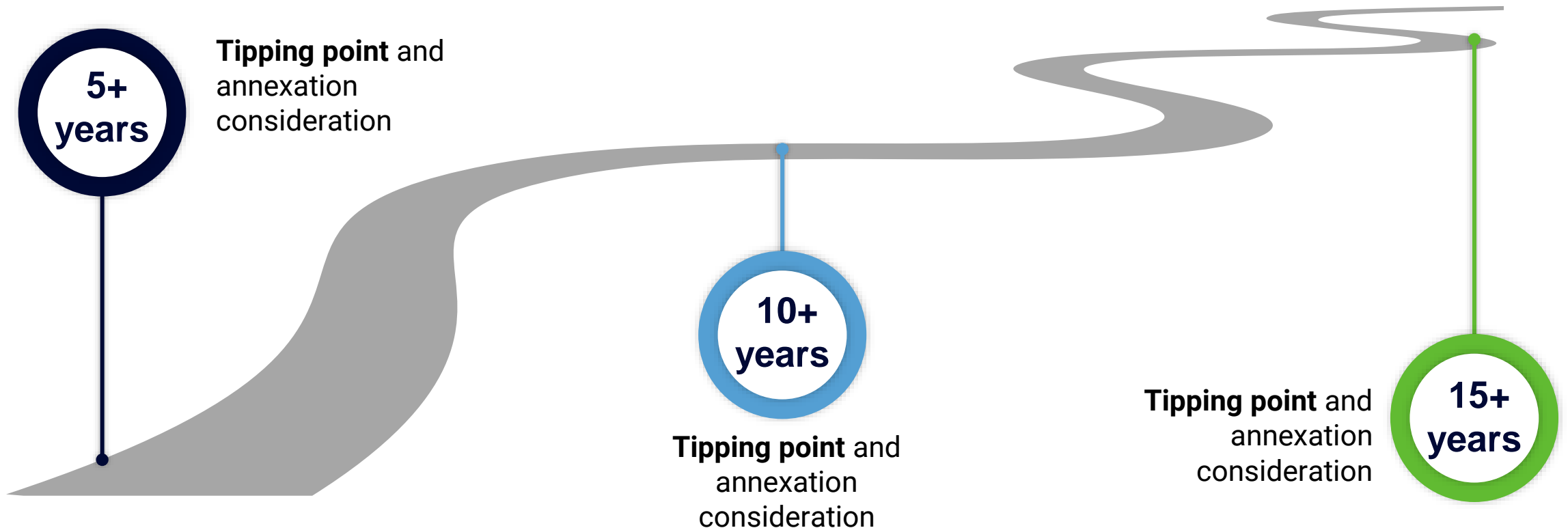
Potential Plan Policy and Strategy

Potential Annexation Approach	Advantages	Tradeoffs
Annex individual properties as they develop (voluntary annexation)	<ul style="list-style-type: none"> The city's cost burden is more gradual. 	<ul style="list-style-type: none"> Could lead to a checkerboard pattern of city and county jurisdiction. Challenging for implementing long-term, large-scale vision. Regional infrastructure improvements would be difficult to implement. New development and redevelopment hindered by inadequate or non-existent infrastructure.
Annex portions of enclave in phases	<ul style="list-style-type: none"> Costs can be anticipated by annexation phase. Phases provide structure for an implementation framework. Predictability for residents and businesses. 	<ul style="list-style-type: none"> City would still incur significant cost burden as phases are brought into the city.
Annex portions of the enclave at 'tipping point' intervals	<ul style="list-style-type: none"> Council and staff can frequently revisit and consider tipping points. Proactively allows planning for and accommodation of tipping points without the need to take on a specific potential annexation strategy. The EMP document can serve as an implementation tool and resource rather than just high-level guidance. 	<ul style="list-style-type: none"> Open-ended nature of timing could be less predictable for businesses and residents. May require additional and ongoing coordination with Larimer County.

Annexation Approach Based on Tipping Points

What are tipping points?

- Catalytic investments or changes in condition that may prompt annexation into the city.

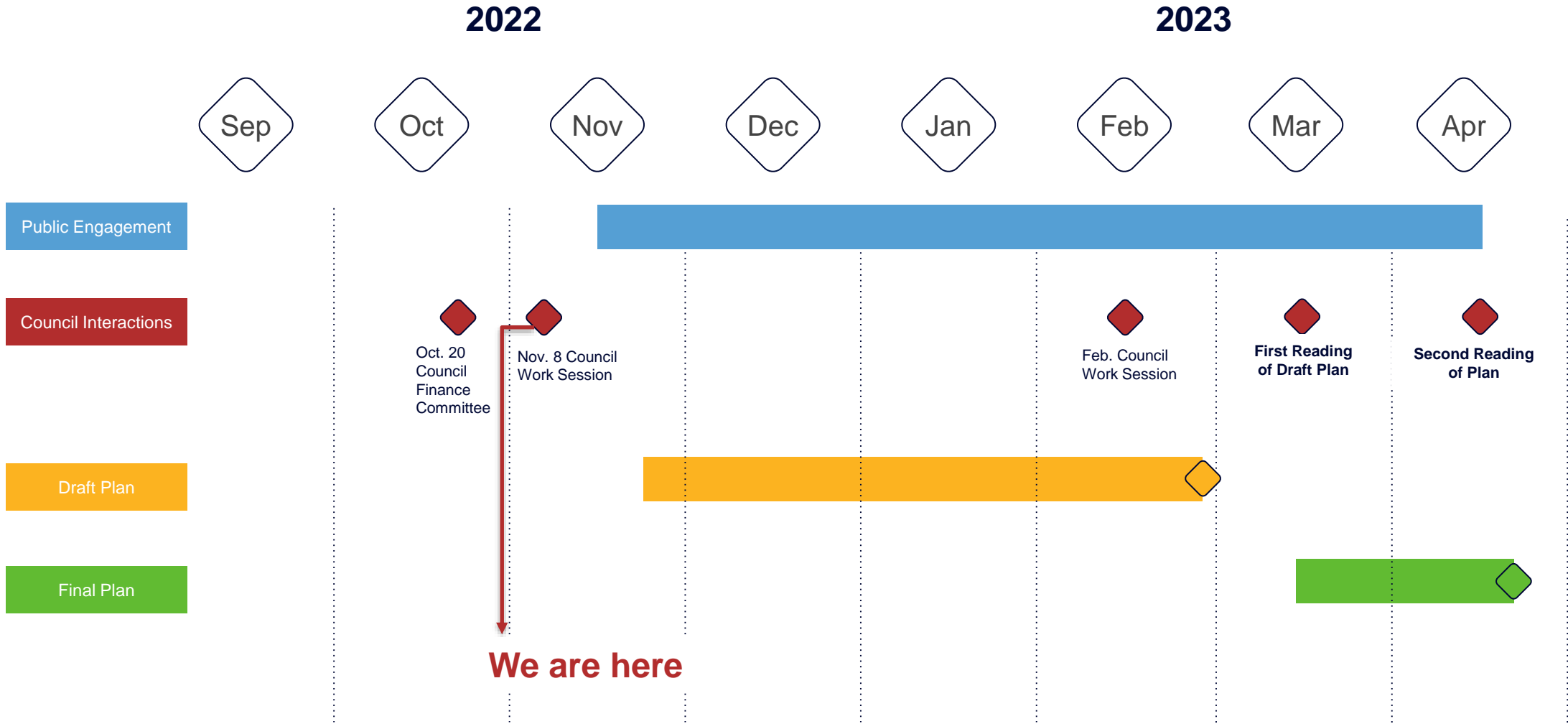


- **Maintaining Logical Boundaries:** Voluntary annexation patterns establish islands of parcels surrounded by City of Fort Collins.
 - **Goal:** Create or maintain logical boundaries for enforcement and provision of service.
- **Proactive Resource Protection:** Imminent impact to a critical natural resource or buffer.
 - **Goal:** Apply the city's natural resource protection standards.
- **Redevelopment Risk:** Eventual property sales could pose risk to mobile home parks.
 - **Goal:** Protect existing affordable housing stock.
- **External Funding:** The city receives external funding for a major infrastructure improvement project.
 - **Goal:** Lower the cost burden of annexation.



Options for Consideration: Plan Update

Type of Plan Update	Annexation Strategy	Work to be Performed	Resource Needs	Result
<p>Targeted update of the existing EMP</p>	<ul style="list-style-type: none"> Assumes voluntary annexation at a parcel level over time 	<ul style="list-style-type: none"> Out-of-date conditions addressed Update Framework Plan and other elements to align with City Plan 	<ul style="list-style-type: none"> Fewer staff resources required than anticipated 	<ul style="list-style-type: none"> Plan is a policy guidance document (like 2002 EMP)
<p>Full update to provide a more specific annexation and land use strategy</p>	<ul style="list-style-type: none"> Assumes annexation under a 'tipping points' framework 	<ul style="list-style-type: none"> Out-of-date conditions addressed Catalytic tipping points identified for future annexations New implementation framework 	<ul style="list-style-type: none"> Current work plan and staffing resources anticipate full update 	<ul style="list-style-type: none"> Plan is a tool to guide decision-making and investment



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