

URBAN RENEWAL AUTHORITY BOARD

July 28, 2022

5:00 PM

- **ROLL CALL**

PRESENT: Wise, Pignataro, Francis, Peel, Draper, Ohlson, Canonico, Smith
ABSENT: Gutowsky (Excused), Arndt (Excused), Stephens (Excused)

- **AGENDA REVIEW**

Vice Chair Wise outlined the public participation options.

Executive Director Birks stated there were no changes to the published agenda.

- **PUBLIC PARTICIPATION** - No public in attendance.

- **COMMISSIONER REPORTS**

1. **Consideration and Approval of the Minutes for the May 26, 2022 Urban Renewal Authority Board Meeting.** (Adopted)

The purpose of this item is to approve the minutes of the May 26, 2022 Urban Renewal Authority Board meeting.

Commissioner Francis made a motion, seconded by Commissioner Peel, to approve the minutes of the May 26, 2022 meeting.

RESULT:	MINUTES ADOPTED [UNANIMOUS]
MOVER:	Emily Francis
SECONDER:	Shirley Peel
AYES:	Wise, Pignataro, Francis, Peel, Draper, Ohlson, Canonico
EXCUSED:	Arndt, Gutowsky, Stephens
ABSTAIN:	Smith

2. **North College Property Acquisition.** (Adopted)

The purpose of this item is to consider three activities related to potentially acquiring property in the North College Plan Area: 1. Begin negotiations for acquiring the Albertsons site and two adjoining buildings; 2. Discuss funding options with City staff and the Council Finance Committee; and 3. Conduct a commercial real estate appraisal of the Albertsons site and two adjoining buildings.

Clay Frickey, Redevelopment Program Manager, stated this item is related to three buildings located in the Country Club Corners subdivision at the southeast corner of Willox and College. He discussed the history of the property and noted the Albertson's that previously occupied the largest building closed in 2014 and the site has been vacant since; however, the property owner is in a long-term lease that runs through 2030. He showed photos of the property and reviewed the ownership and sales amounts of the buildings. Frickey stated several retailers have sought to sublease the property; however, nothing has come to fruition and covenants, conditions, and restrictions prevent anything that might compete with a grocer from locating within the site.

Frickey discussed the alignment of acquiring the property with the goals and strategic plan of the URA. He stated staff is seeking authorization to begin negotiations for acquiring the Albertson's

site and two adjoining buildings, to discuss funding options with City staff and the Council Finance Committee, and to conduct commercial real estate appraisals of the three buildings.

Caitlin Quander, legal counsel, noted eminent domain could potentially be discussed in the future if purchase negotiations are unsuccessful as the Urban Renewal Authority does have statutory condemnation powers.

Commissioner Smith requested some history on how the property was identified for possible purchase. Frickey replied the property was frequently discussed as part of the public outreach for the North College investment plan. Additionally, the North Fort Collins Business Association has been inquiring about the property for several years. He stated staff has been unsuccessful in hearing back from the property owner regarding placing a new tenant in the building.

Vice Chair Wise noted the current property owner continues to receive rent from Safeway.

Commissioner Draper asked if the purchase of the property would solely utilize URA funds or if the City would be involved. Frickey replied the City has loaned money to the URA in the past and those include an intergovernmental loan interest rate.

Commissioner Ohlson opposed each of the three items that are part of this issue. He commented on the public opinion of eminent domain. Ms. Quander noted it is legally required for a government entity to pay fair market value for a property under eminent domain. He stated he does not believe this priority would rise above others and stated he does not believe the photos of the property show blight. Additionally, he stated he believes the URA put the Albertson's out of business as it aided in providing funding for the King Soopers development. He questioned how much money the URA has available for such a purchase.

Vice Chair Wise asked if this is solely focused on a purchase of the buildings or if it could involve the URA participating in a purchase by some other entity, such as the City. Frickey replied the URA is forecasted to have \$20 million in unpledged tax increment by the end of the plan area's TIF collection period in 2030; therefore, based on the recent purchase prices of the three buildings, it would be possible for the TIF dollars to cover the purchase. He stated conversations would need to be held with City officials regarding a possible partnership purchase. Additionally, Frickey noted a public purpose to acquiring the property would need to be shown in an eminent domain process.

Ms. Quander clarified no recommendation on this issue from staff or legal counsel has been provided; however, the site continues to be suggested for a possible community center and it seems time for the Board to consider the possibility or move on to provide clear answers to the public.

Commissioner Francis expressed support for each of the three items that are part of this issue and stated there is no harm in exploring a possible purchase. She stated she cannot think of project that is better in line with the URA's strategic plan and vision. Additionally, she noted this property is seen as an eyesore in the neighborhood and community members in the area need increased access to a better quality of life.

Commissioner Pignataro commented on the parking lot of the buildings not being safe and stated if the area is not already blighted, it will be soon if nothing is done. She also expressed support for each of the three items that are part of this issue and asked if this first step is solely exploratory. Frickey replied in the affirmative. Ms. Quander stated this would be a first step toward starting

good faith negotiations, exploring financing options, and conducting an appraisal. She noted there will be multiple opportunities for discussion and votes in the future.

Commissioner Peel asked if other projects have been identified in the area that would utilize part of the estimated \$20 million in TIF revenue. Frickey replied projects were identified as part of the community investment plan, including the community center, stormwater improvements, and other items to help create a more vibrant community.

Commissioner Peel stated she would like to see a library branch or community center in the location and would therefore support moving forward.

Commissioner Draper concurred the area is blighted, and the parking lot attracts individuals experiencing homelessness. She questioned why the URA would purchase the building stating it would make more sense for the City to purchase the building and for the URA to develop the community center. Frickey replied that could be an option and staff is currently seeking approval from the Board to explore options.

Executive Director Birks stated the URA is in a unique role to at least catalyze and advance the conversation around the property regardless of whether it purchases it.

Councilmember Ohlson stated he is supportive of community centers and libraries but noted there is already a shortfall in the City's budget. He stated it would be helpful for staff to provide a listing of other projects for the area and associated costs. Additionally, he requested information as to why the North Atzlan Center is not functioning as a community center and whether the Parks and Recreation Master Plan shows a recreation center in the North College area.

Commissioner Francis clarified the community center and programming that is desired is different from a recreation center.

Frickey stated he will provide the Board with the updated forecast for the North College plan area.

Commissioner Canonico expressed support for moving forward with exploring options.

Commissioner Smith stated the question of blight in the area is technically solved by the initial blight study. Ms. Quander concurred.

Commissioner Smith asked if it would be prudent to update the blight study to show existing conditions. Ms. Quander replied it could be done at the Board's discretion; however, it is not legally required for moving forward on this issue.

Commissioner Smith commented on the movement of blight in the North College area. He requested information regarding how much tax increment the King Soopers development has created. He expressed support for moving forward with exploring options for the property.

Vice Chair Wise stated he would be more comfortable if this item included beginning discussions rather than negotiations. He stated an appraisal should occur prior to any negotiations. Ms. Quander stated the motion could be worded at the discretion of the Board.

Commissioner Ohlson questioned whether items two and three need to occur at this point. Frickey replied that would be at the discretion of the Board.

Commissioner Ohlson requested information as to what public dollars went into the King Soopers project. He also questioned whether the URA plan area could be renewed beyond 2030. Ms. Quander replied urban renewal plans are only authorized for 25 years and cannot be extended; however, a new plan could be approved in the future for the same area.

Commissioner Francis made a motion, seconded by Commissioner Smith, to approve the three items presented by staff and changing the word ‘negotiations’ to ‘discussions.’

Commissioner Ohlson stated he would support the motion.

RESULT:	MOTION ADOPTED [UNANIMOUS]
MOVER:	Emily Francis
SECONDER:	Andy Smith
AYES:	Wise, Francis, Peel, Draper, Ohlson, Smith, Canonico
EXCUSED:	Arndt, Gutowsky, Stephens, Pignataro (left the meeting early)

- **OTHER BUSINESS**

A. Consider entering into an Executive Session to discuss potential acquisition of the former Albertsons property. *(Secretary’s Note: This motion was not considered.)*

- **ADJOURNMENT**

The meeting adjourned at 6:18 PM.

Vice-Chair

ATTEST:

Secretary