

## AGENDA ITEM SUMMARY

Urban Renewal Authority



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### STAFF

Andy Smith, Redevelopment Manager  
Josh Birks, Acting Executive Director  
Chris Sheafor, Redevelopment Program Coordinator

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### SUBJECT

**Update to Redevelopment Strategy and Plan for 1636 N. College Avenue**

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### EXECUTIVE SUMMARY

The purpose of this item is to provide an update on the redevelopment strategy for 1636 N. College Avenue (1636). Changing conditions around the property have created an opportunity to consider a larger-scale and more impactful redevelopment plan. Fort Collins Urban Renewal Authority (Authority) staff will describe and recommend a revised strategy for managing the redevelopment that enables the Authority to take advantage of the emerging opportunity. Staff will not be seeking direct action from the Board, only to answer questions and receive guidance on the proposed strategy.

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### STAFF RECOMMENDATION

Staff recommend revising the strategy and plan for redevelopment of 1636 N. College Avenue.

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### BACKGROUND / DISCUSSION

Back in May 2025, staff presented the Board with a strategy for redevelopment of 1636 along with an initial timeline. Much has happened since May; however, not much progress has been made on the original strategy. The primary driver of the lack of progress on the original strategy is the emergence of new potential partners and opportunities. Staff believe it's important to evaluate how best to take advantage of and engage with these new partners/opportunities.

### **Current Activities**

Staff have not been idle since May. Several key activities are underway supporting the redevelopment of the site.

### ***Existing Conditions***

- A study is being initiated to assess the process options to update site development documents and revise the private Covenants, Conditions and Restrictions (CC&Rs) to better support expanded future development within planning, zoning and associated legal restrictions.
- The Authority continues to ensure a high-level of ongoing maintenance through our contracted property management company, coordination with FCPS, and our own repair and maintenance

activities including security fencing at the back of the building, required repairs of the fire suppression system, and adding other security enhancements.

### ***Tactical Urbanism***

- Authority staff are exploring possibilities to utilize the 1636 parking lot and walkway areas on a temporary basis to prevent the expansion or return of blight. Activation of the exterior of the site will engage the neighborhood with small events and informal gathering places. Current steps include:
  - Russell+Mills has been engaged to explore permitted use possibilities, and to provide concept designs and budgets for physical improvements.
  - Programming discussions with internal and external groups to explore art, music, and food.

### ***Engagement***

- Staff continue to meet with individual property owners and have also initiated meetings with the Property Owners Association. The discussions focus on Authority plan updates, coordination of maintenance efforts, trespassing enforcement, gaining support for tactical urbanism, and update overly restrictive covenants that encourage blight.
- Staff presented an update to the City's Affordable Housing Board, and have held discussions with community partners such as Housing Catalyst, United Way, La Familia/The Family Center, Larimer County, Food Bank for Larimer County, NFCBA, Habitat for Humanity, the Fort Collins Area Chamber of Commerce, Care Communities, and will soon provide updates to the Poudre Libraries Board and the City's Human Services and Housing Funding Board.
- On October 9 from 6:00 to 8:00 p.m. at the Northside Aztlan Center, an Open House will be held to update interested neighbors on the various projects being planned for the North College area, and to solicit community input. This event will include the Authority, and City of Fort Collins departments such as Capital Projects, Stormwater, Parks and Recreation, and Planning and Zoning.

### ***Visioning***

- Staff participated in a "Capital Stack" exercise with community non-profits to explore funding challenges faced by affordable housing and the long-discussed community center. Specific topics included LIHTC and New Market Tax Credit processes and opportunities.
- An upper-level undergraduate Sustainable Planning and Urban Design class from CU-Boulder is analyzing the 1636 property and surrounding area as a case study project for this semester. The class will provide four different design concepts for discussion purposes.

## **What We are Learning/What has Changed**

### ***Dynamics of Low-Income Housing Tax Credit (LIHTC)***

It is commonly understood that building an affordable housing project at 1636 remains a high priority for the Authority Board. While a variety of creative potential mechanisms to finance and construct deed-restricted housing continues to emerge, LIHTC remains the most productive "workhorse" of affordable housing development, responsible for most new income-restricted rental housing serving low-income households. Recently, staff have become aware of several proposed and potential LIHTC projects at or near 1636, which is very positive.

However, a strategic business challenge comes with this positive trend. The pipeline of potential projects from across Colorado that apply for tax credits from Colorado Housing and Finance Authority (CHFA) is highly competitive, and it is quite unlikely that more than one project from Fort Collins will win an award in any given year. As such, given that our partners at Housing Catalyst have the exclusive ability to abate property taxes on LIHTC projects while also having long-standing access to the City's Private Activity Bond

allotments, they normally serve as either sole developer or critical special limited partner in nearly all local LIHTC projects. As such, Housing Catalyst is challenged with essentially guiding the local pipeline of proposed LIHTC projects to ensure a steady and sustainable pace and sustainable stream of approvals can come from CHFA to the benefit of Fort Collins.

This dynamic has an impact on the Authority strategy for 1636 because an LIHTC project on property owned or controlled by the Authority may not be approved and built right for several years. With several LIHTC projects being proposed or discussed nearby (staff is aware of four LIHTC concepts in varying stages of consideration), a nearby City of Fort Collins Land Bank site, and several existing LIHTC projects in the neighborhood, it is difficult to predict when and where future LIHTC projects will get built, including and beyond the boundaries of 1636. The bottom line is that Authority direct involvement in, and support for, an LIHTC project is highly unlikely in a single-phase redevelopment RFP scenario.

### ***Land Partners***

Staff have continued discussions with owners of nearby and adjacent properties to better understand shared objectives and how we can work together to prevent blight. A few of those positive conversations include the potential for strategic acquisition of certain property by the Authority, as well as interest in potential agreements and/or partnerships whereby property owners might participate in a more comprehensive redevelopment of 1636. Specifically, several property owners have indicated an interest in contributing property to joint ventures or redeveloping on their own in coordination with Authority plans. While these discussions are only conceptual at this time, the interest of private property owners seems credible and consistent.

Additionally, Larimer County owns nearly four acres of vacant land located directly to the southeast of the Authority-owned property at 1636 and also happens to be transected by the same 20' wide City of Greeley water utility easement. The Larimer County land is adjacent to several properties owned by individuals who have expressed interest in participation in redevelopment. Staff have conducted preliminary discussions with Larimer County officials regarding potential arrangements and uses for the property, such as deed-restricted housing, community services, urban agriculture, and recreation.

The ongoing discussions with nearby and adjacent property owners point to a project at the neighborhood scale that would take more time and phases than a single-phase redevelopment RFP could accommodate.

### ***Greater Market Interest***

Staff have received inquiries from current and potential business and property owners seeking to understand opportunities that may emerge with the redevelopment of 1636 as well as the greater North College plan area. At this point, nearly all interest is from local companies looking for new projects that could be pursued when market conditions improve with greater clarity and stability.

### **Original Approach**

In May 2025, staff outlined a plan for redeveloping 1636. At the time, the plan focused exclusively on the Authority's property. That approach called for a Request for Proposals (RFP) to deliver a plan for redevelopment of the site. The RFP was to include several requirements, such as a community center, affordable housing, community engagement, and others. The nature of the development would have been codified in a Redevelopment and Reimbursement Agreement (RRA). Any conditions of redevelopment would only be enforceable through the RRA and require specific "claw backs" – a contract term that penalizes the other party for not following through on their commitments.

This approach can be effective when dealing with a single developer and the Authority wants private capital and expertise to lead the nature of redevelopment. The Authority's role becomes that "over-watchdog" with the terms of the agreement being the primary method of enforcement. While successful in many

circumstances, this approach's primary flaw is that you must negotiate the RRA prior to having complete knowledge of market conditions, land use limitations, and other key factors.

## **Proposed Approach**

The good news from the changing conditions and interest in property around 1636 is an opportunity to leverage the \$6.75 million in public investment to achieve a broader and more impactful redevelopment. To respond to this opportunity, staff recommend evolving our approach to the Authority's ownership of 1636. This evolution attempts to honor the following feedback from the board:

- Ensure the Authority Board remains focused on its core mission (blight remediation and prevention of its further spread) and reserves time to invest in other plan areas.
- Focus on getting the redevelopment of 1636 right without compromising momentum.
- Engage expertise that can ensure strong visioning, planning, and design.
- Create a clear scope and role for community leadership in the project.

The proposed approach includes several key components, each of which will be discussed in further detail. These key components include:

- The Authority retains ownership of its property assemblage through a long-term ground lease.
- The Board delegates the planning and development of its property and partners properties to a strong and coherent community-based governance model.
- The Authority leases its property in phases, rather than transferring ownership all at once.
- The Authority defines and secures specific community objectives (e.g., affordable housing, community center, etc.) through a Master Development Agreement (MDA) and/or a Community Benefits Agreement (CBA).

### ***Why retain ownership through a ground lease?***

Retaining ownership of 1636 and other acquired adjacent properties (if that occurs) enables the Authority to maintain control over the site if the redevelopment derails significantly. In addition, maintaining ownership supports several key objectives:

1. It allows the Authority to support affordability to the benefit of desired tenants (such as a community center) and typically does not require financing, as a ground lease is considered an operating cost not debt service.
2. It allows the Authority to deliver on its responsibility - remediate blight and prevent the spread - now and into the future. Potentially avoiding the need for additional intervention in the future on the property.
3. It allows the Authority to maintain clear control over the course of the project through lease terms without needing to be directly involved in planning, development, and construction decisions.
4. It makes it easier for the Authority to recover the property if a partner/developer is unable to advance a specific proposed redevelopment. The lease could be terminated.

### ***Why delegate planning and development to a different governance model?***

Several governance models emerged from research into major redevelopment projects with strong community-leadership and engagement. These models covered a spectrum from an Authority/Master Developer model to a Cooperative/Resident Ownership model. Of the eight or so models, a few emerged as having potential to deliver on the objectives of the Authority for the 1636 redevelopment opportunity. They all included either a strong community advisory group or governance model that allowed for direct community participation.

Given feedback on creating a clear scope and role for the community that empowers them to have direct influence over the future of the site, staff recommend creating a Joint Public-Community-Partner Association (Joint Association) as a separate governance model. This new entity would be established by the Authority with a clear set of objectives and responsibilities. Membership would be ratified and/or appointed by the Authority and include at least one Authority board member to provide oversight and input.

The exact structure of this governance needs additional refinement. However, staff would suggest its responsibilities and accountabilities include:

- Master plan the redevelopment of all properties participating in the project.
- Identify and manage the phasing of redevelopment across the properties.
- Identify and negotiate terms of specific parcel ground leases to be approved by the Authority.
- Coordinate design and installation of shared infrastructure, including managing contributions from property owners.
- Provide oversight and design approval of vertical development within the master plan.
- Define and draft the MDA and/or CBA to be reviewed and approved by the Authority board.

This approach allows the Authority to retain final approval (through its ground lease terms) while delegating to this Joint Association most decisions related to planning, development, and infrastructure. This approach ensures the project delivers on Authority objectives but does not require the Authority Board to be involved in every decision. This approach allows for participating partners (e.g., County, Owner's Association, Landowners) to have direct representation in decisions impacting their properties. Finally, and maybe most importantly, it creates a clear scope and role for community leadership by designating several seats for community members.

Under this model, a simplified view of decision authority might look like:

Decision Area	Decision Maker	Authority Board Role
Land ownership & disposition	Authority Board	Final approval
Ground lease terms	Authority Staff + Joint Association	Final approval
Master plan, phasing, infrastructure	Joint Association	Ratification only
Vertical development approvals	Joint Association	No direct role
Affordability standards, stewardship	Joint Association + Specific development partners	Oversight via lease
Community benefits	Joint Association	Oversight via lease

### ***Why design a phased approach?***

A single-phase approach (e.g., offering the property all at once to a single developer) does not allow the Authority to have a role in that future adaptation. Whereas a phased approach enables flexibility and responsiveness as the project unfolds and keeps the Authority involved in the evolution (indirectly as landowner). Given uncertain market conditions and the ongoing demand for LIHTC funding, having the ability to adapt will likely prove necessary for the project to succeed.

## ***Putting it all Together***

By creating a Joint Association between the Authority, other public entities, and private landowners with strong community leadership as well, the Authority creates a partner in redevelopment that has a wide perspective. Additionally, the Joint Association ultimately needs the approval of the Authority for any redevelopment on its property – through the ground lease. The result is an entity that has shared legitimacy and a clear and formalized role for community and public partners.

The entity would be formulated through an MDA and/or CBA. Think of these documents collectively as the Charter for the Joint Association defining and guiding its decision-making authority, while describing its assigned objectives. Objectives range from developing a cohesive master plan for the site and arranging for coordinate infrastructure development to engaging community members and delivering on community objectives in exchange for Authority investment (first in land, potentially in additional funds if needed/agreed upon).

In this model, the Authority retains ownership and thus ultimate control over its properties through its ground leases. However, it delegates the significant workload of developing, coordinating, phasing, and financing redevelopment to an entity with multiple perspectives and appropriate expertise.

Finally, and perhaps most importantly, this approach provides flexibility. The exact nature of the partnership does not need to be known at the outset. The governing documents of the Joint Association can be developed in such a way as to enable other partners to join the effort along the way. This means that if LIHTC funding stalls an affordable housing project the master plan can retain a space for that development until the funding environment changes. Additionally, it means that if other public entities, such as the County or the Library District, wish to participate but are not ready to do so at the outset they can join mid-stream.

Managing this Joint Association will not come without its demands on staff capacity and requirements for unique expertise. For that reason, staff propose that the Authority consider identifying and partnering with an organization that has the capacity to act as the General Manager (GM) of the entity. They will be charged with being the steward of this significant community development opportunity. The GM should have the following knowledge, skills, and abilities:

### Knowledge

- **Mixed-use & Mixed-income Development Finance** – deep understanding of how to layer public subsidy, LIHTC, NMTC, philanthropic capital, and private debt/equity.
- **Public-private agreements** – Experience negotiating CBAs, development agreements, and joint venture structures with municipalities and developers.
- **Community Governance Models** – Methods for embedding resident/merchant/community voices into a board structure that is credible and durable.
- **Equity and Anti-displacement Policy** – Proven strategies for stabilizing existing residents and businesses.

### Skills

- **Real Estate Development Management** – managing acquisition, entitlements, design, financing, and construction oversight.
- **Facilitation & Coalition Building** – Convening diverse stakeholders (URA, County, neighbors, private developers, funders) and translating between their priorities.
- **Communication & Trust-building** – Explaining technical development issues in ways that community members understand and buy into.

### Abilities

- **Balance Permanence with Flexibility** – Lock in affordability and community ownership while allowing for phased development and changing market conditions.



- **Institutional Staying Power** – Ability to steward assets for decades (*beyond one development cycle*), maintain staff capacity, and ensure financial sustainability.
- **Translate Values into Binding Documents** – Not just advocate for community priorities, but embed them into enforceable agreements, leases, or ground lease terms.

Depending on the organization selected by the Authority, this GM could even provide support by holding the master lease for the Authority property in a community land trust or similar public ownership structure.

### **Next Steps**

*What does this mean for the schedule outlined in May and the next steps for the Authority Board and Staff?*

The plan as proposed in May called for community engagement, visioning, and public benefit requirements be established prior to issuing an RFP for a single master developer for the 1636 property (and associated properties if acquired). This new approach shifts things around a bit. Instead of starting with engagement, visioning, and requirements. Therefore, staff recommend the Authority start by selecting a GM for the Joint Association through a Request for Qualifications (RFQ).

The GM would initially be tasked with: (1) developing the governance model for the Joint Association, (2) defining the associations initial partners, (3) convening and managing the group, (4) developing a master plan for the area, and (5) taking that master plan through the entitlement process. Alongside these initial tasks, the GM will support negotiation of ground lease terms for all or portion of the 1636 property to support an initial phase of development. Staff recommends also pursuing either through an RFQ or through direct dialogue a partner or coalition to take on the responsibility of developing the community center and possibly supporting affordable housing. The GM can assist with running an RFQ or discussion with interested parties.

*How does this impact the timeline described by staff in May?*

The timeline for this revised approach will start more slowly than the one outlined in May. However, staff feel that this approach could still deliver a clear partnership on an initial phase of development by early- to mid-year 2026. After selection of the GM, the work plan will shift to structuring the governance model for the Joint Association, soliciting membership and appointing community members. Then engaging with the community on master planning and development phasing. This will start around the end of the first quarter next year and follow alongside the master planning efforts through most of next year. staff hope this timeline would see construction potentially starting in mid-2027 or mid-2028 at the latest, depending on who is selected to develop the initial phase of the redevelopment.

### **Glossary of Terms**

- *Master Development Agreement (MDA)* – An agreement defining the terms of the partnership between multiple entities to provide the coordinated redevelopment of one or more properties under multiple ownership.
- *Community Benefit Agreement (CBA)* – An agreement either with individual or multiple parties to deliver specific community benefits as part of a redevelopment effort.
- *Ground Lease* – A long-term lease, typically 99 years – for a parcel of land. Ground leases can carry several stipulations regarding use of the land, affordability of vertical development, etc. This type of lease is common on larger scale developments where the master developer/original property owner wants to maintain strong control over the first and future use of the property.
- *Joint Public-Community-Partner Association (Joint Association)* – A governance model that brings together multiple parties interested in delivering a specific set of outcomes through a redevelopment project or similar development. The focus of the Joint Associations is on Master Planning, Developer/Partner Selection, and Delivery/Construction of the project.

- *General Manager* – An organization (or its designated representative) charged with managing the activities of the Joint Association. The GM has specialized knowledge, skills, and abilities not available on the Authority Board and increases the capacity of staff to ensure timely delivery of the best redevelopment possible.
- *Low-Income Housing Tax Credits (LIHTC)* – A common form of financing for deed-restricted housing. This form of financing is in high demand and thus competitive. There is a limited supply of the financing locally, at the state, and federally.
- *Request for Proposals (RFP)* – A competitive selection process for identifying a consultant, partner, or developer that includes both qualifications and specific scope requirements. Typically used when the outcome of the work is clear and definite, enabling an expected scope of work to be included in the request.
- *Request for Qualifications (RFQ)* – A competitive selection process for identifying a consultant, partner, or developer that only includes qualifications and not a specific scope. Typically used when outcomes can be articulated but the scope of work required to achieve those outcomes is unclear. After selection, the identified candidate and the selecting body define the scope of work, price, and timeline. This enables the expertise of the selected candidate to inform the scope rather than requiring staff to pre-identify a scope they may not have adequate expertise to define.

## **AUTHORITY FINANCIAL IMPACTS**

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This approach will require the Authority to invest money to compensate the GM (at least initially), as well as initiate the master planning and entitlement work. However, staff will work with the GM to ensure that upfront expenditures such as their compensation (known in the development world as “soft costs”) are reimbursed from either ground lease revenue or vertical construction projects. Therefore, the long-term impact on the finances of the Authority should be modest. Finally, this structure may enable the creation of additional “legacy” revenue from the ground leases that can extend beyond the tax increment collection period (ending in 2030) to support ongoing blight remediation and prevention efforts in the area.

## **BOARD / COMMISSION / COMMITTEE RECOMMENDATION**

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None.

## **PUBLIC OUTREACH**

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None.

## **ATTACHMENTS**

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1. Presentation