October 14, 2025

WORK SESSION AGENDA ITEM SUMMARY
City Council

STAFF

LeAnn Williams, Director, Recreation
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SUBJECT FOR DISCUSSION

Southeast Community Center

EXECUTIVE SUMMARY

The purpose of this item is to provide an update on the Southeast Community Center (SECC), including the current project scope, budget, proposed funding stack with trade-offs, and next steps. More than a decade in the making, the SECC will provide southeast Fort Collins with a community recreation center and library, implemented in partnership with Poudre Libraries and Poudre School District as the final standalone project of the 2015 Community Capital Improvement Program tax initiative.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What feedback do you have for the options presented?

2. What option would Council like to see come forward for appropriation in November, and are there any additional adjustments needed?

BACKGROUND / DISCUSSION

Project Background

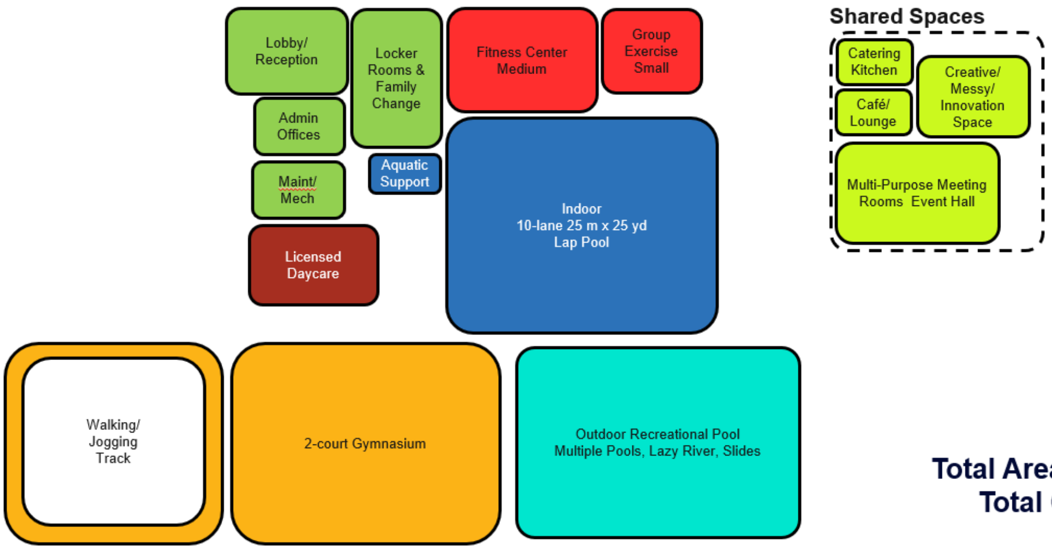
The Southeast Community Center (SECC) project represents more than 11 years of planning and development, beginning with the completion of a 2013 feasibility study and continuing through today. Due to the volume of supporting materials, this Agenda Item Summary provides a high-level overview of key milestones rather than a comprehensive history.

- **October 2013:** The City completed the *Fort Collins Southeast Community Recreation & Arts Center – Summary of Needs and Development Plan.* This study established the original concept for a facility in southeast Fort Collins; however, it no longer reflects current community needs.

- **April 2015:** Voters approved the Community Capital Improvement Program (CCIP) ¼-cent sales tax, which included funding for a *"Southeast Community Center and Outdoor Pool."* The ballot language envisioned a facility emphasizing innovation, technology, art, recreation, and the creative process, including an outdoor leisure pool with slides, sprays, jets, decks, a lazy river, and open swim areas.

- **January 2021:** City Council adopted *ReCreate, the Parks and Recreation Master Plan*, which serves as the guiding document for parks and recreation policy and investment. The plan affirmed the need for a Southeast Community Center.
- **2022:** At Council's request, the City completed an Aquatics Study to assess demand and opportunities for public aquatic facilities in Fort Collins. That same year, City Council held two work sessions and a Council Finance Committee discussion focused on the SECC project. While no formal decisions were made, these discussions directed staff to continue exploring partnerships with the Poudre River Public Library District (Poudre Libraries) and Poudre School District (PSD) and to consider an expanded facility that could be phased or supported by future funding sources.
- **November 2023:** Voters approved the *2050 ½-cent sales tax* with ballot language allocating *"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."*
- **2023–2024:** The City budget included funds for project development and design. Staff began active work on this phase in the first quarter of 2024.
- **February 2024:** IGA executed between City, Poudre Libraries and PSD.
- **February 6, 2025:** Staff presented four facility scope and budget options, along with a proposed "funding stack," to the Council Finance Committee. The Committee recommended advancing **Option 2B** to the full Council. This option aligned with staff's recommendation as it:
  - Met the intent of the 2015 CCIP ballot measure.
  - Fulfilled partnership commitments with Poudre Libraries and PSD.
  - Could be fully funded through identified sources.
  - Met the *ReCreate Master Plan* level of service for a community center; and
  - Was comparable in size and amenities to the City's other community centers while addressing the identified service gap in southeast Fort Collins.
- **February 25, 2025:** Staff presented the four facility options and funding stack at a City Council Work Session. Council expressed support for proceeding with the scope and budget of **Facility Option 2B**.
- Option 2B and the proposed funding stack presented in February 2025 are included.

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



Total Area: 64-74,000 sf
Total Cost: $68-80M

Potential Funding Scenarios ($ in Millions)			
Bond against 2050 Tax Bond Proceeds	$27	$36	$43
2050 Tax Reserves	$10	$10	$12
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**	**$80**	**$90**
% of 2050 Parks & Recreation Share	*13%*	*17%*	*20%*

Assumptions			
Bond Years	20	20	20
Bond Rate	5.0%	5.0%	5.0%
Net Taxable Growth Rate	2.5%	2.5%	2.5%

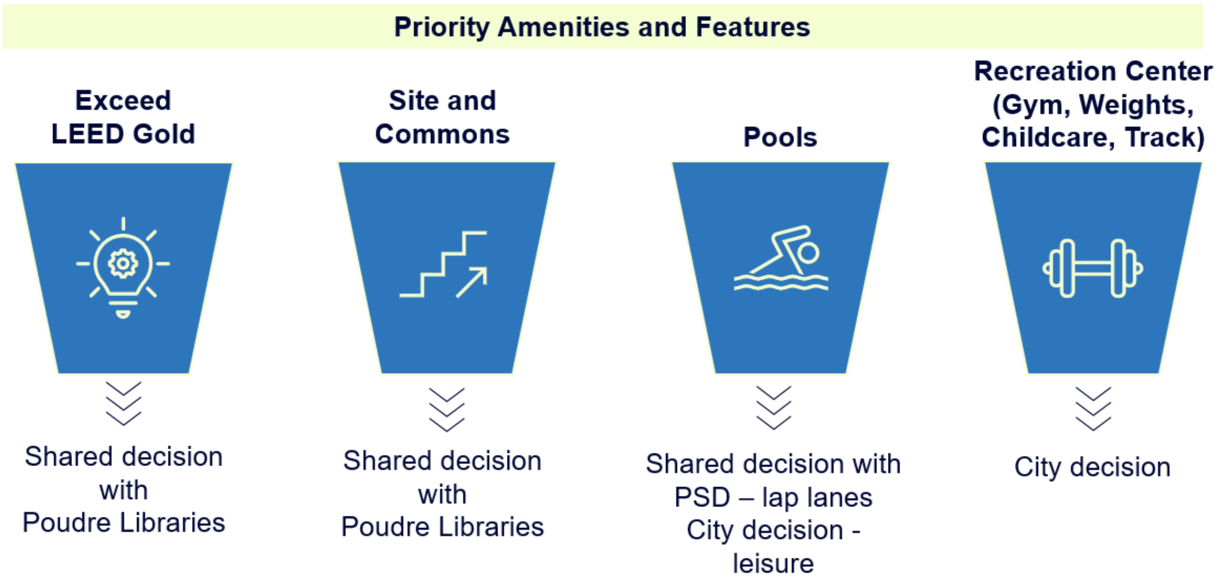
Work Since February 2025

Significant progress has been made over the past seven months as the Southeast Community Center project has advanced from concept to schematic design. Key milestones include:

- **Schematic Design (30% Completion):** Achieved September 2025.
- **Major Amendment and Site Plan:** Prepared and ready for Development Review submission.
- **Community Engagement:** Ongoing engagement has continued to inform design and programming decisions.

The design team, Clark & Enersen, and the pre-construction team, GH Phipps, presented the schematic design (SD) scope and budget in early September 2025. At that time, the total estimated project cost for the City exceeded the February range by approximately **$13 million**.

In response, City staff collaborated closely with the project team to refine the scope and identify cost-reduction strategies that would bring the project back within the February budget range while maintaining alignment with the original program intent. These refinements were guided by community feedback, ballot language, partnership commitments, the Aquatics Study, the *Parks & Recreation Master Plan (ReCreate)*, revenue generation and current and projected program space needs.



Staff will be discussing the balancing of competing priorities.

- Maximize Project Goals
  - Community Benefit/Ballot and Plan Guidance
  - Health and Well-Being, Access & Equity, Sustainable
- Maximize 2050 dollars available for future Mulberry Pool Replacement facility
- Preserve other future options for CCIP reserves – Affordable Housing

Some scope reductions such as reducing the number of lap lanes from ten to eight will require a renegotiation and amendment to the original IGA.

LEED Gold

The SECC will be the most sustainable Recreation facility built in the region. With the goal of LEED Gold, the current scope with reductions will meet this standard. While the city has larger goals on the way to electrification, staff are not recommending the geothermal system that was modeled and priced out unless grants and/or alternate funding becomes available. The return on investment financially will cause further trade-offs and at this time doesn't pencil out as a good investment. The project will be able to achieve a LEED gold certification regardless of the system that is chosen. The design team is not referencing or attempting to leverage LEED requirements and LEED's reference to older baseline models to drive HVAC system selection.

Every mechanical/HVAC system that is being considered will meet the requirements of the 2024 IECC. The state of Colorado requires buildings to meet the requirements of the 2021 IECC. The design team is aware of additional State of Colorado requirements such as the electrification ready and solar ready codes and will consider these requirements during design. The design team is also considering all energy recovery options that are available to all the proposed systems in addition to considering the use of solar energy.

Finally, the design team is also aware of the Building Performance Colorado program. This program comes into play more after construction is complete, but the design team is also tracking these requirements.

At this time, the project team does not believe that we will need to concern ourselves with the High-Performance Certification Program as we are not a state funded project. This program mostly requires a 3rd party verification such as LEED or green globes as well, which we will already be pursuing.

Funding

The two main funding sources of the SECC are the 2015 Community Capital Improvement Program (CCIP) tax and the 2050 Parks and Recreation tax (2050 tax) passed in 2023. The remaining $2M is through a grant from the Colorado Department of Local Affairs (DOLA).

There are many considerations with the 2015 CCIP reserve funding, with a balance of $14.5M.

- $12 of the $14.5M was included in the SECC original funding stack
- There is consideration to allocate $10 of the $14.5M available to Affordable Housing
- The original funding for the SECC would need to be reduced another $7.5M
- There is an option to increase the 2050 tax allocation and leave less remaining for the future replacement of the Mulberry Pool facility
- There is also consideration around the timing and restrictions of spending the reserves on something other than the SECC, as the remaining project from the 2015 CCIP.

CCIP Ordinance in 2015 regarding excess collections states “Section 3. That any revenues generated by the Tax and remaining unexpended and unencumbered after the completion of the construction of all the Projects described on Exhibit “A”, excluding any of these Projects eliminated by the City Council under the provisions of Section 2(b) above, may, in the discretion of the City Council, be used to fund additional operation and maintenance of the Projects or for the planning, design, real property acquisition, construction, operation and/or maintenance for any other capital project approved by City Council.”

There are multiple ways to stack the 2050 tax and CCIP funding for the SECC project budget. Staff will be providing 2 options that take into consideration the balancing of competing priorities.

Staff will also be showing a high-level overview of the projected revenue and expenses for the Operation and Maintenance of the SECC. This number will be refined as the scope of the facility is finalized.

Berry Dunn was contracted to provide a pro forma report for the SECC. According to the report, Revenue projections are highly influenced by the number of pass holders and drop in visits to a community recreation center. Current revenue projections for the SECC were taken from multiple sources to reflect the diverse activities in a full-service community recreation center. Memberships and passes were the primary driver, supplemented by daily admissions, aquatics, fitness programs, rentals and seasonal camps. Participation and membership numbers and fee structures were informed by both city data and regional comparisons.

Patron data from northern Colorado recreation centers, as well as benchmark facilities in Denver-Boulder region, illustrate a clear pattern of proximity-based usage. Approximately 51% of visits originate from within three miles of a facility, 72% within five miles, and 88% within 10 miles. These findings suggest that over half of anticipated visitors will come from nearby neighborhoods, with nearly three quarters residing within five miles of the facility. Service area overlap with other municipal centers is minimal, reinforcing the distinct market reach for the location.

The overall cost recovery for the SECC is anticipated to be 75-90%. The SECC operation and maintenance expense will be off set for the first five years of operation by $220K from the 2015 CCIP O&M fund.

- **Projected Expenses:** $2,630,000
- **Projected Revenue:** $ 2,000,000-$2,300,000
- **Projected General Fund Subsidy:**
    - Year 1-5 $100-400K per year
    - Year 6-10 $350-600K per year
- **Full-time Staff: ~**15 FTE
    - **Annual Cost:** $1.2M
- **Part-time Staff Cost:** $700,000

The operation, staffing and revenue projections will continue to be refined as the facility moves through the design process. Staff will continue to consider staffing and operational efficiencies from our current system, expanded needs with a new facility, revenue optimization, customer experience, equity and access and partner utilization when refining the revenue and expense projections.

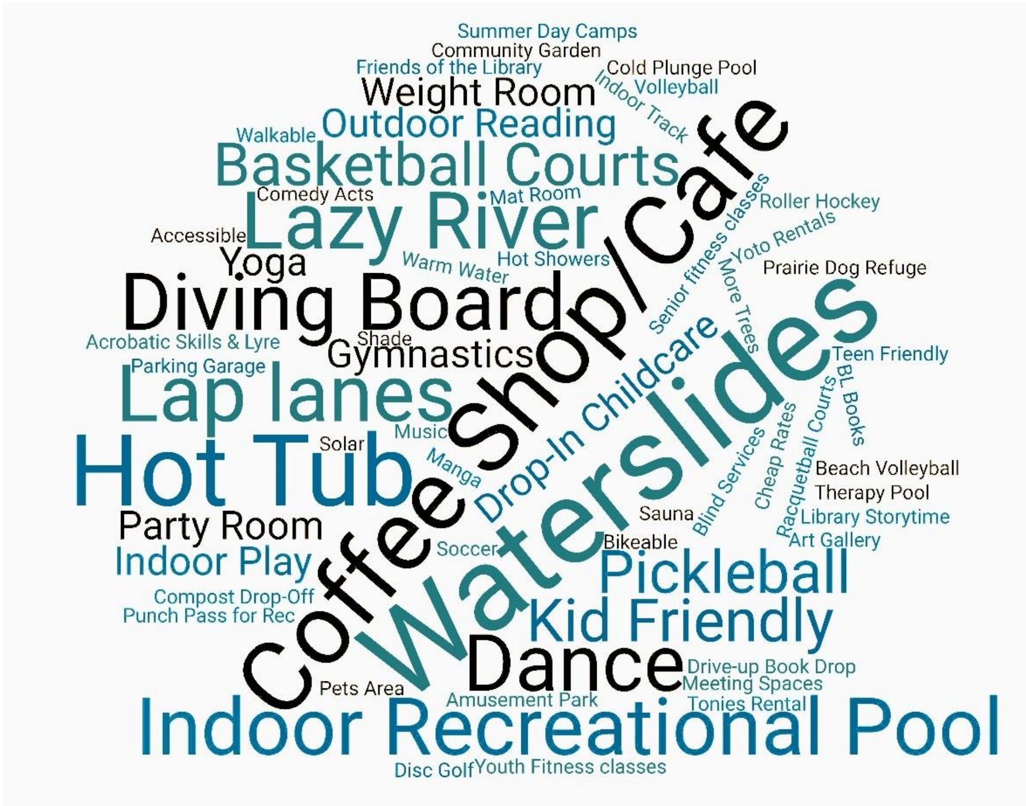
Community Engagement

During community engagement, participants expressed limited interest in a full childcare program and did not identify it as a high priority. However, staff consistently heard the need for a child drop-in area to provide short-term supervision for non-school-aged children while parents or caregivers use the facility. This element was incorporated into the revised design when the childcare was removed to reduce the capital cost.

Feedback from the community engagement sessions, technical advisory committee and boards and commissions were used to inform spaces as we went through the value engineering process to bring the facility back under the max budget. We also held an engagement session with multiple groups committed to accessibility in the facility.

Themes heard during multiple engagement sessions over the past eight months were:

- Pools, lazy river, slides, diving boards
- Tween/teen pools and fitness
- Drop in child watch
- Court sports like basketball, volleyball, pickleball
- Fitness area able to accommodate sleds, Olympic weights, functional fitness
- Indoor play in the pool for the winter months
- Lap lanes



The SECC represents a major community investment for more than a decade in the making. As the project advances toward final design, appropriation, and groundbreaking, staff remain focused on balancing fiscal responsibility with community vision and Council direction—delivering a thoughtfully designed, inclusive, and sustainable facility that supports recreation, learning, and wellness while honoring the intent of voter-approved funding.

NEXT STEPS

Staff will bring the funding stack for approval and ask to appropriate any available funds in November 2025. Staff will also move forward with the issuance of Certificates of Participation from the Parks and Recreation 2050 tax.

ATTACHMENTS

1. Presentation