

AGENDA ITEM SUMMARY

City Council



STAFF

Sylvia Tatman-Burruss, Senior Policy & Project Manager
Josh Birks, Deputy Director, Sustainability Services; Executive Director, Urban Renewal Authority
Will Flowers, Senior Specialist, Real Estate Services

SUBJECT

First Reading of Ordinance No. 075, 2026, Appropriating Prior Year Reserves for Negotiations to Acquire Property in Midtown for Economic Development Purposes.

EXECUTIVE SUMMARY

The Ordinance appropriates \$500,000 from General Fund Reserves for earnest money necessary to secure a Purchase and Sale Agreement, for the acquisition of a commercial property in midtown Fort Collins for purposes of economic development.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

The City is considering the potential acquisition of commercial property in midtown Fort Collins for purposes of economic development. The address of the site under consideration is not included here so as to preserve the City's ability to negotiate the acquisition.

The Ordinance appropriates funds that enable the City to secure a contract and allow staff to conduct due diligence investigations to include, but not limited to, the following work:

- Title review;
- Full appraisal;
- Environmental assessment (Phase 1);
- Full financing details;
- Subdivision;
- Potential use mixes, interior design and layout; and
- Long-term facilities/maintenance forecast.

Staff have engaged the owner in negotiations and prepared an initial Purchase and Sale Agreement ("PSA"). Negotiations may take several rounds to arrive at a final agreement that works for both parties.

The PSA will be negotiated so that the City is not obligated to buy the Property except at its sole discretion and provide ample opportunities to terminate prior to closing.

Staff anticipate the funds to be used as earnest money to secure the PSA, likely in the following manner:

- Two Hundred Fifty Thousand Dollars (\$250,000.00) as an initial deposit; and
- Fifty Thousand Dollars (\$50,000.00) each for up to five (5) one-month payments in advance of closing.

The balance of the purchase price will be due at closing, which is expected to be at least six (6) months following the effective date of the PSA. The total estimated purchase price depends on the outcome of negotiations and will need to be appropriated before closing.

The City is working closely with the Fort Collins Urban Renewal Authority (“URA”) regarding this potential acquisition. The City is in discussions with the URA so that the City may assign the PSA to the URA during the due diligence period of the PSA if the URA plan area is expanded to include the site of Property. The City may also enter into an agreement with URA for the URA to reimburse the City its costs expended to help acquire the Property.

CITY FINANCIAL IMPACTS

The City will be financially impacted by up to \$500,000.00 in General Fund reserves.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance No. 075, 2026