

AGENDA ITEM SUMMARY

City Council



STAFF

LeAnn Williams, Deputy Director, Community Services

SUBJECT

First Reading of Ordinance No. 070, 2026, Making Supplemental Appropriations, Appropriating Prior Year Reserves, and Authorizing Transfers of Appropriations for the Construction of the Southeast Community Center.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate \$72,539,000 in anticipated revenues from debt issuance and Poudre Public Library District, unanticipated grant revenue from the Department of Local Affairs (DOLA) Energy & Mineral Impact Assistance Program (EIAF) and prior year reserves in the 2050 Parks and Recreation Fund. This appropriation provides funding to the Recreation Department for the design and construction of a LEED Gold Community Recreation Center in southeast Fort Collins.

STAFF RECOMMENDATION

Staff recommends adoption of Ordinance on First Reading.

BACKGROUND / DISCUSSION

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 needed to be updated due to the significant time that had passed since the study was completed.

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. The approved project included \$14,000,000 for construction and \$230,000 per year for operations and maintenance for five years.

January 2021: 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, recommending a full-service community center in the southeast to meet Level of Service standards and identifying the need for two additional pools citywide by 2040.

2022: At Council's request, the City completed an Aquatics Study to assess demand and opportunities for public aquatic facilities in Fort Collins. The study identified a clear need for aquatics amenities in the southeast quadrant, a need for additional lap lanes, a need for additional recreation water, and did not recommend further investment in Mulberry Pool. Staff presented findings at a March 2022 Council Work Session and an August 2022 Council Finance Committee meeting. That same year, 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 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 2022: Staff presented options for the SECC at a Council Work Session, ranging from the base ballot project at \$16,500,000 to an expanded facility with indoor aquatics and a library partnership with a City portion of approximately \$66,300,000. Council directed staff to continue partnership discussions with PSD and Poudre Libraries.

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."

November 2023: The Colorado Department of Local Affairs (DOLA) awarded the Southeast Community Center Project a \$2,000,000 grant award from the Climate Resistance Challenge. This grant supported the project's path to a LEED Gold Community Center, community resilience and aligned with the Governors priority of 100% reduction of GHG emissions by 2050 and affordable and accessible childcare. The grant award is for construction of the SECC.

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, including hiring an Owner's Representative Wember, design firm Clark & Enersen, and general contractor GH Phipps.

February 2024: An Intergovernmental Agreement (IGA) was executed between the City, Poudre Libraries, and PSD, formalizing the partnership for the design, construction, and operation of the SECC. Poudre Libraries will lease a portion of the SECC to design, construct, and operate a public library and will partner with the City on the community, innovation, and commons spaces, addressing the innovation and technology components of the ballot language. PSD is partnering on the indoor lap lanes, contributing to capital, ongoing maintenance and operation, and replacement costs, with lap lane access outlined in the facility use agreement. PSD is also permitting use of its west staff parking lot outside of school hours and providing shared drive access to the SECC. Additionally, PSD is partnering on the pump station and raw water access, and is granting an easement south of the facility for a pedestrian path that will connect to Twin Silo Park and utility connection.

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 Council Work Session. Councilmembers expressed support for proceeding with the scope and budget of Facility Option 2B, with an estimated project cost of \$78,400,000.

September 2025: The project reached 30% Schematic Design completion. The design team of Clark & Enersen and pre-construction team of GH Phipps presented the schematic design scope and budget. The estimated total project cost exceeded the range presented in February by \$13,000,000. City staff worked alongside the project team to identify cost-reduction strategies that would bring the project back within the February budget range while staying as close to the original scope as possible.

October 2, 2025: Staff presented the schematic design and cost for Facility Option 2B at the Council Finance Committee. Staff also presented multiple value engineering considerations totaling more than \$13,000,000 to bring the project back under the \$80,000,000 maximum budget. The Council Finance Committee gave direction to bring the reduction considerations and funding options to a Council Work Session.

October 14, 2025: Staff presented options for both scope and budget with funding considerations from both the 2015 CCIP and 2050 tax at a Council Work Session. Staff brought reductions to the facility to bring the budget to \$76,500,000. The reductions were as follows: reduced the size of the outdoor leisure pool; reduced the gymnasiums from two high school courts to two middle school courts; reduced the overall area dedicated to weights and fitness; reduced the size and number of lanes for the elevated track; eliminated the licensed childcare wing and replaced it with a drop in kids club (drop-in childcare); reduced the common space; eliminated one innovation room and one community room; reduced site amenities; eliminated the small northeast parking lot; and removed geothermal from the project. Based on Council member feedback and support for Option 1A, Council directed staff to move forward with the current reduced scope while remaining committed to the partnership with Poudre School District and Poudre Libraries per the IGA.

October 22, 2025: The Parks and Recreation Advisory Board voted 7-0 in support of both the appropriation ordinance and the funding resolution.

November 3, 2025: Council adopted an ordinance appropriating \$9,500,000 in additional 2015 CCIP revenues design and construction of the SECC. Council also approved a resolution identifying funding sources and amounts and directing staff to prepare Certificates of Participation from the 2050 tax for Council consideration in Spring 2026. The total City project budget is \$76,500,000, funded as follows:

Source	Amount
2050 Parks & Recreation Tax	\$46,300,000
2015 CCIP (previously appropriated)	\$27,200,000
DOLA EIAF Grant	\$2,000,000
Recreation Fund Reserves	\$1,000,000
Total	\$76,500,000

The scope of the approved facility includes: commons, innovation, and community rooms; two gymnasiums; 10 indoor lap lanes with dive well; a large outdoor leisure pool with slides, sprays, jets, decks, a lazy river, and open swim areas; kids club (drop-in childcare for facility users); weight room and fitness; locker rooms; family locker rooms; elevated track; staff offices; and LEED Gold Certification.

April 21, 2026: On this date, Council considered on first reading Ordinance No. 046, 2026, authorizing the issuance of Certificates of Participation (COP) to finance the construction of the Southeast Community Center. Council adopted Ordinance No. 046, 2026 on second reading on May 5, 2026. COPs are

structured similarly to prior issuances with a lease-leaseback financing, securing City-owned assets, obligating annual appropriations for debt issuance and a fixed interest rate of issuance. The COPs authorized by Ordinance No. 046, 2026 are planned to go to market approximately midyear, with anticipated closing and receipt debt proceeds approximately mid-August, 2026.

On April 21, 2026, Council adopted Resolutions 2026-063, 2026-064, 2026-065, and 2026-066, approved four agreements with Poudre Libraries and Poudre School District and adopted Ordinance No. 046, 2026 to approve a long term lease with Poudre Libraries.

The ongoing partnership with Poudre Libraries was formalized through three of these agreements. First, the City-Library District Intergovernmental Agreement (IGA), governing design and construction, established each party's responsibilities, cost-sharing obligations, and decision-making authority through the design and construction phases of the project. This City-Library IGA was essential to ensuring both partners are aligned on scope, schedule, and budget. Second, the Lease Agreement granted Poudre Libraries use of a designated portion of the SECC to operate a public library, replacing the existing Council Tree Library in southeast Fort Collins with a larger, more modern facility that expands library access for the surrounding community. This addressed the innovation and technology components of the 2015 CCIP ballot language while delivering an upgraded library experience to an area Poudre Libraries already serves. Third, the Joint Use Agreement outlined the ongoing obligations of both parties with respect to the shared community, innovation, and commons spaces within the facility, including cost-sharing for operations, maintenance, and programming. Together, these agreements provided the legal and operational framework necessary for the City and Poudre Libraries to function as long-term partners within a single facility.

The ongoing partnership with PSD was formalized through two agreements. The first, the Intergovernmental Agreement with PSD formalized the terms of the shared use driveway, which provides one of two access points to the SECC site. The IGA also established the terms under which the City will have use of PSD's west staff parking lot on designated dates and times outside of school hours, providing additional parking capacity for facility users and events. PSD also agreed to grant the City two easements necessary for the construction and operation of the Center: a utility easement under the shared drive and a pedestrian easement south of the facility that will connect the SECC to Twin Silo Park, supporting multimodal access for the surrounding community. The SECC has also been incorporated into an existing IGA between the City and PSD governing the raw water and pump station system, extending that established agreement to serve the new facility. The second agreement was the Facility Use Agreement with PSD outlined the terms of PSD's access to and scheduled use of the indoor lap lanes.

CITY FINANCIAL IMPACTS

The construction funding has no impact on the general fund. The operational and maintenance funding will have impact to the general fund starting in 2027.

Capital Costs- Capital Projects Fund:

Revenue Source	Previous Appropriation	Requested Appropriation	Total Capital Project Costs
CCIP	\$ 27,200,000	\$ -	\$ 27,200,000
2050 Park & Recreation Tax Reserve	-	11,339,000	11,300,000
COP Debt Proceeds	-	36,000,000	36,000,000
DOLA Grant	-	2,000,000	2,000,000
Poudre Libraries*	-	22,450,000	22,450,000
Total Capital Expenditure Costs	\$ 27,200,000	\$ 71,789,000	\$ 98,950,000

* Poudre Libraries paid directly an additional \$550,000 to the project. Total library contribution is \$23 million per the City-Library District IGA. Additionally Poudre School District contributed land to the SECC Project, per the Initial IGA.

<u>Debt Service Costs:</u>	Previous Appropriation	Requested Appropriation	Total Debt Service
Revenue Source: 2050 Park & Recreation Tax	\$ -	\$ 750,000	\$ 750,000
Expenditure Costs:			
Debt Service- Capital Leasing Corporation Fund	-	500,000	500,000
Debt Issuance- Capital Projects Fund	-	250,000	250,000
Total Debt Service Costs	\$ -	\$ 750,000	\$ 750,000

The Ordinance appropriates the following:

- \$11,339,000 from 2050 Tax Parks Rec Transit OCF Fund prior year reserves to the Capital Projects Fund
- \$500,000 of anticipated revenue from the 2050 Tax Parks Rec Transit OCF Fund to the Capital Leasing Corporation Fund
- \$250,000 of anticipated revenue from the 2050 Tax Parks Rec Transit OCF Fund to the Capital Projects Fund
- \$473,390 from the Capital Projects Fund to the Arts and Culture Fund for Art in Public Places Program
- \$36,000,000 from new revenue from proceeds Certificates of Participation to the Capital Projects Fund
- \$22,450,000 from new revenue from Poudre Libraries to the Capital Projects Fund
- \$2,000,000 from new revenue from the Department of Local Affairs Grant to the Capital Projects Fund

All revenue appropriated to the Capital Projects Fund is for the Southeast Community Center.

The City Manager has recommended the appropriations described herein and determined that these appropriations are available and previously unappropriated from the 2050 Tax Parks Rec Transit OCF Fund, the Capital Leasing Corporation Fund, and the Capital Projects Fund, as applicable, and that these appropriations will not cause the total amount appropriated in the 2050 Tax Parks Rec Transit OCF Fund, the Capital Leasing Corporation Fund, or the Capital Projects Fund, as applicable, to exceed the current estimate of actual and anticipated revenues and all other funds to be received in these funds during this fiscal year.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

The Southeast Community Center funding was discussed and supported at multiple Parks and Recreation Advisory Board meetings over the past four years.

PUBLIC OUTREACH



Staff presented this project to the public at multiple events and other City advisory boards over the past year.

ATTACHMENTS / LINKS

1. Ordinance No. 070, 2026