

# AGENDA ITEM SUMMARY

Urban Renewal Authority



## STAFF

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## SUBJECT

**Public Hearing and Resolution No. 163 to Approve a Supplemental Budget Resolution for an Intergovernmental Agreement with the City of Fort Collins in Support of the North College Drainage Improvement District (NCDID) Project and Acquisition of Required Rights-Of-Way.**

## EXECUTIVE SUMMARY

The purpose of this item is to consider an Intergovernmental Agreement (IGA) with the City of Fort Collins (City) to partner on long-planned stormwater infrastructure along North Maston Street within the North College Urban Renewal Plan Area. The North College Drainage Improvement District (NCDID) stormwater project, right-of-way acquisition, and North Mason Street roadway construction (Project) are estimated to cost **\$18.3 million**. The IGA commits the Fort Collins Urban Renewal Authority (FCURA) to contributing **\$4.75 million** towards the Project.

Additionally, the resolution considers a supplement appropriation of **\$550,000** to the **2026 FCURA budget** in support of right-of-way acquisition to be completed starting this summer. Additional appropriations will be included in the 2027 and 2028 budget processes to complete the total contribution of \$4.75 million.

## STAFF RECOMMENDATION

Staff recommend approval of the resolution.

## BACKGROUND / DISCUSSION

The Fort Collins Urban Renewal Authority (FCURA) has a long history of strategic financial partnerships with the City of Fort Collins to accelerate or enable public infrastructure projects in the North College Urban Renewal Plan Area. These partnerships include:

- North College Ave Streetscape Project
- Northeast College Corridor Outfall Project
- Poudre River Whitewater Park
- Vine & Jerome Enhanced Pedestrian/Bicycle Crossing

Specific to the Project area (see depiction below), a drainage analysis and report for the North Mason neighborhood was initially completed in 2006 by Ayres and Associates. The project area was known at that time as the North College Drainage Improvement District (NCDID). In 2017, the Authority funded an update to the analysis, and in 2019 contributed to ongoing design work.



Through this analysis, the North Mason Street neighborhood was determined to lack stormwater infrastructure sufficient for redevelopment, meaningful renovations, or expansions of existing structures. Five logical steps have guided the work:

1. Design the basin and stormwater infrastructure (*complete*)
2. Determine a feasible location and alignment of the future infrastructure (*complete*)
3. Acquire the public right-of-way for the preferred alignment (*pending*)
4. Install the stormwater and outfall infrastructure (*future*)
5. Construct the streets and sidewalks (*future*)

In other words, the general objectives of the Project are to bring the area up to stormwater standards found in the rest of the City, encourage reinvestment in the neighborhood, build safe and walkable streets and sidewalks, and create a proud sense of place for residents.

The Project is ready to commence with the final three phases and FCURA is being asked to consider a financial partnership to complete the final steps:

- Right-of-way (ROW) acquisitions

- Stormwater infrastructure and outfall construction
- Street/roadway design and construction

The total project cost is estimated to be **\$18.3 million** and the total FCURA investment requested is **\$7.3 million**.

**FCURA PROJECT CONTRIBUTION & FUND BALANCE**

Staff forecasts vary cash balances each year in the North College Urban Plan Area fund through the final revenue collection period in 2030, with an ending balance of approximately \$10.9 million in 2030. This is the total amount of tax increment to be collected and available to fund future investments including this Project. This forecast is net of pending and assumed acquisitions and other anticipated and expected expenses. Furthermore, the forecast assumes a two percent (2.0%) assessed value increase at each biannual reappraisal.

The final contribution recommended by staff totals **\$4.75 million** to offset a portion of two costs: the acquisition of ROW (where the future North Mason roadway improvements will be constructed) and the NCDID stormwater infrastructure. The proposal assumes contributing funds over time, starting with **\$550,000 towards ROW acquisition in 2026** (this resolution appropriates the necessary funds to make this contribution) and equal contributions towards stormwater of **\$2.1 million in each of 2027 and 2028**. Leaving approximately \$6.15 million in estimated tax increment collections yet to be allocated to other projects before the termination of the tax increment collection period in 2030.

	2026	2027	2028	2029	2030
<b>Unallocated Cash Available</b> <sup>1,2</sup>	\$ 2,700,000	\$ 3,800,000	\$ 5,100,000	\$ 6,500,000	\$ 10,900,000
<i>Net Change in Cash</i>		\$ 1,100,000	\$ 1,300,000	\$ 1,400,000	\$ 4,400,000
<b>Scenario 4 - Half of the Requested Amount</b>					
<b>Starting Cash Balance</b>	\$ 2,700,000	\$ 3,250,000	\$ 2,450,000	\$ 1,750,000	\$ 6,150,000
<b>Expenditure of Contribution</b>					
Right-of-Way Acquisition	\$ (550,000)	\$ -	\$ -	\$ -	\$ -
Stormwater Outfall Construction	\$ -	\$ (2,100,000)	\$ (2,100,000)	\$ -	\$ -
Roadway Construction	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Annual Contribution</b>	\$ (550,000)	\$ (2,100,000)	\$ (2,100,000)	\$ -	\$ -
<b>Revised Unallocated Cash Available</b>	\$ 2,150,000	\$ 1,150,000	\$ 350,000	\$ 1,750,000	\$ 6,150,000
<b>Remaining Contribution</b>	\$ 4,150,000	\$ 2,050,000	\$ (50,000)	\$ (50,000)	\$ (50,000)

<sup>1</sup> Net of pending and assumed acquisitions, tactical urbanism investment, and other anticipated and expected expenses

<sup>2</sup> Assumes 2 percent assessed value increase at each biannual reappraisal

**INTERGOVERNMENTAL AGREEMENT OVERVIEW**

The IGA attached to the Resolution as **Exhibit A**, describes FCURA’s contribution towards the project as well as other terms and conditions. These include:

- Contribution & Funding:
  - A contribution of forty percent (40%) up to \$550,000 of the total ROW acquisition cost; and
  - A contribution of thirty-four percent (34%) up to \$4.2 million of the stormwater improvements cost.
- Funding of the \$4.2 million contribution towards stormwater improvements will be contingent upon City appropriation of its portion of the funds necessary to completely fund the stormwater infrastructure.
- Clearly states that FCURA is not nor will it be party to any eminent domain proceedings associated with ROW acquisition.
- States the City:
  - Will own and operate the improvements constructed by the Project; and
  - Clearly indicate where the funds need to be transferred to ensure the funds remain non-lapsing throughout the construction of the Project.
- Allows FCURA the opportunity to take possession of any surplus land acquired during ROW acquisition.

## **ECONOMIC IMPACT**

Economic & Planning Systems, Inc., an economic and financial consultant with a long history of work for the Authority and City of Fort Collins, was engaged by staff to analyze potential economic impacts and return on investment that could be realized if hypothetical redevelopment projects were to be stimulated by the Project. The report is attached as Attachment 2 and includes the following key findings:

- The planned and proposed stormwater improvements (detention pond, outfalls) will allow parcels west of College Avenue (to) develop without substantial costs to detain and treat stormwater on site.
- The planned right of way and roadway improvements will formalize parallel street network to College Avenue and will increase access for parcels west of College Avenue that improve their development viability.
- The potential development projects are estimated to generate \$1.3 million annual in property tax (to all districts).
- The commercial space in the projects is estimated to generate \$382,500 in annual sales tax (to the City).
- In aggregate, the projects can pay back (in the form of tax revenues) the cost of the Authority contributions in 7 years.
- The net tax generation benefit after 10 years is \$6.75 million.

## **FCURA FINANCIAL IMPACTS**

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The total commitment of FCURA will be **\$4.75 million** towards Project costs. This deduction from the estimated \$10.9 million of anticipated tax increment collections between now and termination of the collection period leaves approximately **\$6.15 million** of the anticipated tax increment collections unallocated to a given project.

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

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On February 12, 2026, staff presented the Project to the FCURA Finance Committee, seeking feedback and guidance.

The Finance Committee stated a preference for a phased contribution less than the full amount requested, in the \$4.3 - \$4.7 million range. Authority staff understood the general priority is to fund the right-of-way acquisitions, and then as much of the stormwater infrastructure as possible (note: one Committee member stated a preference to fund all the stormwater improvements).

On February 26, 2026, staff presented the Project to the FCURA Board, seeking feedback and guidance.

The Board generally supported the Finance Committee recommendation and requested that staff prepare an Intergovernmental Agreement with the City to codify the commitment of between \$4.3 and \$4.7 million toward project costs.

## **PUBLIC OUTREACH**

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None.

## **ATTACHMENTS**

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1. EPS Return on Investment Report
2. Existing Condition Photos
3. Right of Way Alignment and Summary
4. Presentation
5. Resolution