

URBAN RENEWAL AUTHORITY BOARD

December 4, 2023

5:00 PM

- **PLEDGE OF ALLEGIANCE**
- **CALL MEETING TO ORDER**

Vice Chair Stephens called the meeting to order at 5:04 p.m.

- **ROLL CALL**

PRESENT: Stephens, Gutowsky, Pignataro, Canonico, Francis, Smith, and Colby

ABSENT: Arndt, Peel, Ohlson, and Draper

- **AGENDA REVIEW**

Acting Executive Director Birks reviewed the meeting agenda:

Item #1: Approving the meeting minutes from the October 26, 2023, board meeting.

Item #2: Public Hearing and Resolution No. 129 Adopting the 2024 Budget for the Fort Collins Urban Renewal Authority.

No other changes to the published agenda.

Vice Chair Stephens outlined the public participation options.

- **PUBLIC PARTICIPATION** – No public in attendance.

None.

- **COMMISSIONER REPORTS**

None.

- **DISCUSSION ITEMS**

1. **Consideration and Approval of the Minutes for the October 26, 2023 Urban Renewal Authority Board Meeting.**

The purpose of this item is to approve the minutes of the October 26, 2023 Urban Renewal Authority Board meeting.

Commissioner Francis made a motion, seconded by Commissioner Pignataro, to approve the October 26, 2023 meeting minutes.

- **PUBLIC PARTICIPATION** – No public in attendance.

None.

RESULT:	OCTOBER 26, 2023 MINUTES APPROVED (UNANIMOUS: 7-0)
MOVER:	Francis
SECONDER:	Pignataro
AYES:	Stephens, Gutowsky, Pignataro, Canonico, Francis, Smith, and Colby
EXCUSED:	Arndt, Peel, Ohlson, and Draper

2. Resolution No. 129 Public Hearing and Adopting the 2024 Budget for the Fort Collins Urban Renewal Authority.

The purpose of this item is to consider adoption of the 2024 budget for the Fort Collins Urban Renewal Authority. Staff submitted two budget offers for the Urban Renewal Authority (URA) as part of the City's biennial Budgeting for Outcomes (BFO) process in 2022. Since the City produces a two-year budget as part of BFO, staff prepared a two-year budget for the URA for 2023 and 2024. The 2024 budget as presented mirrors the information presented to the Board in 2022 and contains updated revenue and expense forecasts based on the County Assessor's most recent property reassessment and 2023 expenditures to date.

The first budget offer covers the costs of performing core functions of the URA. The second offer is for the URA's debt service payments. Combined, the total original appropriation for the 2024 URA budget would be \$6,121,898. After these expenses, both the North College and Prospect South plan areas would generate excess revenues. Staff forecasts nearly \$7.6 million in available cash in the North College plan area and \$1.7 million in available cash in the Prospect South plan area by the end of 2024. Public notice of this public hearing was published in the Coloradoan Newspaper on Sunday, November 12, 2023.

Vice Chair Stephens noted that we are considering the budget and opened the public hearing on Resolution No. 129.

Acting Executive Director Birks noted this will be Clay Frickey's last meeting before taking on the Planning Manager position for Fort Collins.

Clay Frickey, Redevelopment Program Manager, provided a brief presentation on the 2024 budget noting it was initially presented in 2022 as part of the biennial budgeting process which is in conjunction with the City's process. He reviewed the two URA budget offers, one being the core offer covering personnel, consultants, legal counsel, and insurance for \$682,345, and the second related to debt service for three plan areas for a total of \$5,439,553. He clarified the Urban Renewal Authority passes all the tax increment dollars for the Foothills Mall onto the Mall metro district.

Caitlin Quander, legal counsel, noted whatever tax increment is generated is exactly the amount that is passed on; therefore, there is no liability or outstanding obligation on behalf of the URA.

Frickey provided a high-level overview of budget changes from 2023 to 2024 and briefly discussed the annual payment to The Lyric based on the redevelopment and reimbursement agreement. He also noted the operating expenses are slightly higher due to an increase in personnel costs and inflation, which is typical. He stated there are no significant changes for the Prospect South URA plan area and a decrease in property tax increment for the Mall is expected for 2024.

Frickey outlined how the costs of the URA have changed over time and discussed the cash position and overview of the property tax assessment increment that has been collected over time for the North College and Prospect South plan areas.

Commissioner Gutowsky asked if money can be transferred between plan area budgets. Ms. Quander replied there is generally no transfer of funds and the statute has certain requirements around keeping dollars within a plan area; however, funds can occasionally be lent between plan areas with the expectation that repayment will occur.

Commissioner Gutowsky asked if it is anticipated there will be ample funds in the South Prospect plan area to finish the planned improvements. Frickey replied the investment plan was structured to include five different prioritized ideas for projects with the top priority being bicycle and pedestrian improvements. If funds remain, then the next item on the list will be addressed. He stated it is difficult to determine whether there will be enough money to fund all of the projects given costs are uncertain over the lifecycle of the plan area and fluctuating needs over time.

Councilmember Gutowsky asked if there is any idea of when the bicycle and pedestrian connections from the Prospect South plan area to the Whole Foods area will occur. Frickey replied he has been working on getting requests for proposals drafted for a consultant to start looking at the feasibility and cost of those improvements. He stated the next person in this position will be carrying that work forward.

Commissioner Smith noted the Foothills Mall budget shows a deficit in the fund balance beginning now and moving into the next couple years and requested more details. Acting Executive Director Birks replied the goal is to provide some wiggle room in terms of the appropriation for the developer repay as well as for the revenue because the Mall increment has been difficult to forecast. He stated the deficit will not materialize because the developer will only be paid what it takes in less the URA's costs. He reiterated that no more money can be provided to the developer than what is collected, minus the expenditures.

Commissioner Smith asked about the Prospect South URA property TIF (Tax Increment Financing) which has been flat since 2018. Frickey replied there has been less redevelopment activity in that plan area as well as more vacancies. Additionally, the plan area has had more modest increases in property values and revenues are forecasted quite conservatively.

Vice Chair Stephens asked what the total amount of repayment to The Lyric will be and for how much longer the payments will continue. Frickey replied he would need to look at the total amount, but The Lyric is repaid as increment is collected. He stated the 2024 estimated repayment is a bit lower than what was initially forecasted. Acting Executive Director Birks noted it is unlikely the URA will make the full repayment to The Lyric over time as the taxes that are coming in are less than what was forecasted on an annual basis. He noted there is a cap as to what the repayments can be annually and in total, which was somewhere between \$280,000 and \$350,000.

Vice Chair Stephens asked if more funds will be needed for the Prospect South request for proposal for the 30% design than what is currently available. Frickey replied the 30% design document will cost significantly less than the cash that is available; it is the construction of the improvements that will be costly. He stated the desire is to ensure whatever work is done in the area is aligned with the City's Active Modes Plan. He also noted some of the projects could

potentially be funded by redevelopment projects in the area and would therefore not need to rely entirely on URA dollars.

Vice Chair Stephens asked how many years are left on the South Prospect plan area. Frickey replied it will run until 2036.

Commissioner Canonico asked if the grant being sought would include the South Prospect plan area. Frickey replied the grant would go from Drake to Boardwalk and staff has been working with the Midtown Business Improvement District on creating a 30% design document for improvements related to the Midtown in Motion Plan that was adopted about ten years ago. Depending on the extent of the area for the grant, the URA may be able to participate in some of the improvements.

Vice Chair Stephens closed the public hearing.

Commissioner Francis made a motion, seconded by Commissioner Gutowsky, to adopt Resolution No. 129.

- **PUBLIC PARTICIPATION – No public in attendance.**

None.

RESULT:	RESOLUTION NO. 129 (UNANIMOUS: 7-0)
MOVER:	Francis
SECONDER:	Gutowsky
AYES:	Stephens, Gutowsky, Pignataro, Canonico, Francis, Smith, and Colby
EXCUSED:	Arndt, Peel, Ohlson, and Draper

- **OTHER BUSINESS**

None.

- **ADJOURNMENT**

The meeting adjourned at 5:30 p.m.

Chair

ATTEST:

Interim Secretary