

AGENDA ITEM SUMMARY

Urban Renewal Authority



STAFF

Josh Birks, Executive Director
Andy Smith, Redevelopment Manager

SUBJECT

Public Hearing and Resolution No. 166 to Approve a supplemental Budget Resolution, and a Redevelopment Agreement in support of improvements to the property at 1505 North College Avenue.

EXECUTIVE SUMMARY

The purpose of this item is to consider a Redevelopment and Reimbursement Agreement (Exhibit A) to provide grant funding for facade, infrastructure, and community use improvements at 1505 North College Ave. ("Project"). Additionally, the resolution considers a supplemental budget appropriation of \$285,000.

STAFF RECOMMENDATION

Staff recommend approval of the resolution.

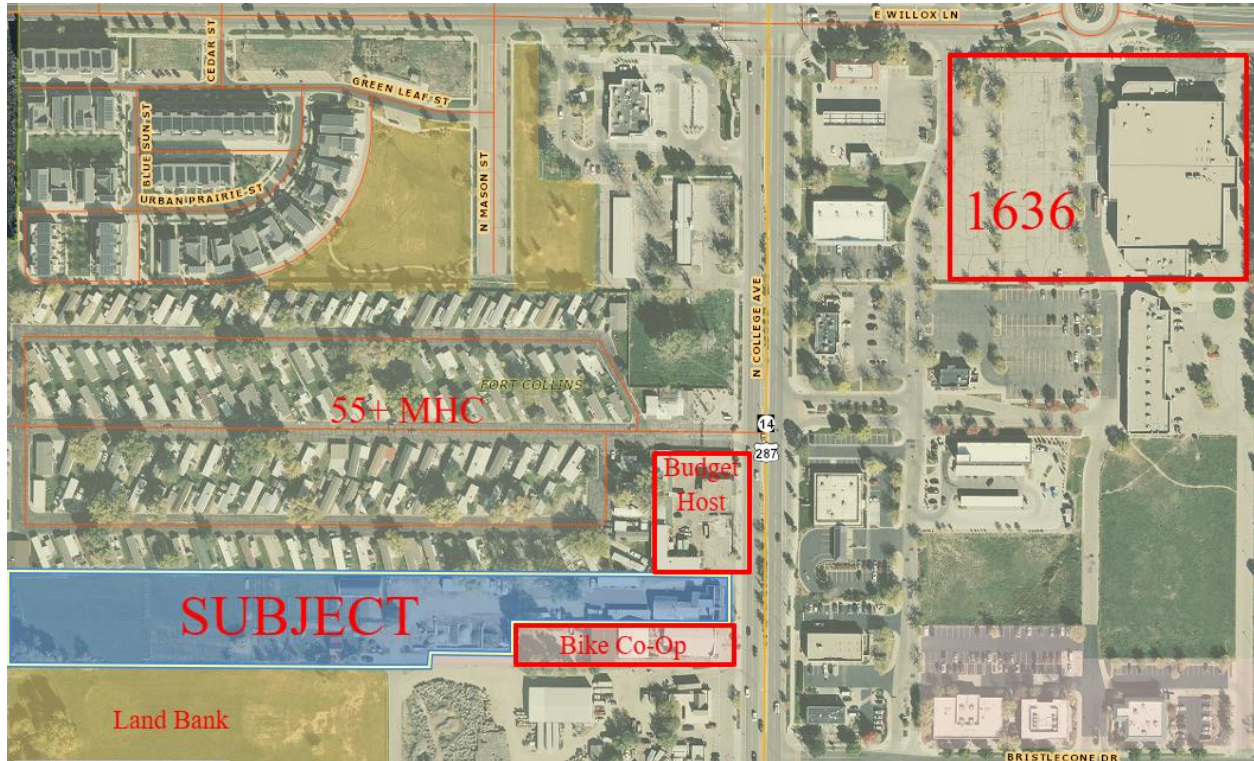
BACKGROUND / DISCUSSION

1505 North College Avenue ("1505") is a 4.16-acre urban farm property owned by the same family since 1945. There are several small buildings and accessory structures on the property, mostly in marginal or poor condition. Most of the parcel is occupied by Back Gate Farms, a neighborhood CSA owned and operated by the property owner. Compost Queen leases a considerable balance of the property, while the structures along North College Avenue are vacant and in poor condition.



1505 is located:

- South of the former Budget Host Motel and the North College manufactured housing community (55+)
- North of the Bike Co-Op and a City of Fort Collins Land Bank site
- West of the Hickory Village manufactured housing community



Project Summary

The owner proposes to rehabilitate the three primary structures on the eastern portion of the property as part of an adaptive reuse strategy anchored by the farm on the western portion. The Project will remediate and prevent blight conditions by updating the Property viewable by the public, and creating a campus-like setting of community-focused ventures engaged in agriculture, value-added agriculture, the creative economy, and the circular economy. Building systems, façade/exterior shell, interior finishes, site infrastructure, and the landscape that interface with the public realm are proposed for significant upgrade. As envisioned, the project is intended to serve as a unique neighborhood gathering place, celebrating urban agriculture, local history, art/music, sustainability, small business, and food systems.

Proposed specific adaptive reuses are described in the table below:

1505 Location	Current City Status	Food Hub Core Components	SF	Parking	Description
Old Art Shop	Vacant	Outdoor Patio	989	3	Flex outdoor space for food truck dining, farm stand
Gallery Second Floor	Active Warehousing	Administrative Offices Incubation Center	612	2	Administrative offices for operation plus shared services facility for a food business incubation center and other food system businesses, non-profits and advocacy organizations. Primary purpose to reduce overhead burdens for individual organizations, stimulate cooperative activity, educate eaters and focus on market development for a local, sustainable food system benefitting independent and family farmers.
First floor Gallery area	Active Warehousing	Bakeshop (Anchor Tenant)	1005		Small retail shop to encourage bakery or similar food business. Potential area for greenwall hydroponics in gallery.
Quonset Bay 2	Active Warehousing	Incubator Kitchen	1067	3	commercial kitchen for processing food for sale to consumers (both retail and wholesale); additional teaching/event kitchen to support nutrition education, product promotion and destination itineraries related to cooking classes, demonstrations and community or private events.
Quonset Bay 1	Active Warehousing	Aggregation, Processing & Distribution Center	533	0	Cold and dry storage, packing facilities
Quonset Upstairs	Active Warehousing	Flex Space	1219	0	Open space for member education, meetings, storage and business related activities.
Front and behind	Parking				
			5,425	8	

According to the owner, key strategic values include:

- **Addressing Blight:** Transform a neglected property into a vibrant hub, directly addressing local blight.
- **Economic Viability:** The combination of regenerative agriculture, value-added products, and a creative hub allows for multiple revenue streams.
- **Circular Economy Model:** The project will minimize waste by composting agricultural byproducts and community food scraps and creating a closed-loop system where one operation's output becomes another's input.
- **Community Building:** The food hub will serve as a gathering place, fostering a stronger sense of community and providing access to healthy, locally sourced food.
- **Environmental Stewardship:** Regenerative agriculture practices will improve the land's health, sequester carbon, and enhance biodiversity, creating a truly sustainable operation.

Terms

The estimated total project cost is **\$950,000** and the URA contribution will not exceed **\$285,000** and is comprised of two components:

1. **Grant A (up to \$85,000):** A one-time storefront façade reimbursement intended to support improvements visible from the College Avenue right of way, including demolition, façade revitalization, landscape/flatwork, and removal of overhead utilities.
2. **Grant B (up to \$200,000):** A multi-year grant to support programming and uses that operate and promote local food systems, creative ventures, and the circular economy, while engaging the

neighborhood. Grant B is proposed to be available over a 10-year period with annual reimbursements (up to five) to ensure the project continues to prevent blight and deliver public benefits.

Reimbursement requests for both Grant A and Grant B will be evaluated by URA staff according to the Evaluation Criteria described by exhibit in the Redevelopment and Reimbursement Agreement.

North College Urban Renewal Plan

The North College Urban Renewal Plan ("Plan", Attachment 3) was adopted by the Fort Collins City Council on December 21, 2004. According to the Plan (*#1. Preface and Intent*):

This Plan was prepared for adoption by the City Council in recognition that the Renewal Area requires a coordinated strategy, with financing possibilities, to eliminate blight and prevent the spread of blight, and accomplish the City's development objectives for improving the viability of the area.

The Plan effort was originated in response to a request by existing property owners in the area. Owners reached consensus and requested the establishment of a renewal plan after years of involvement in public discussion. As a group, they recognize the problems with existing development, which is largely outdated and substandard, constituting blighted conditions, and they want to stay involved in solutions that fit the area.

The driving interest in the establishment of this Plan is to begin offering tax increment financing as a tool to stimulate and leverage both public and private sector development (including redevelopment), to help eliminate blight and prevent the spread of blight. It is the intent of this Plan for any development projects and other implementation actions to be done in a responsive manner, with full consideration for interests and concerns of property owners in the area.

Development and redevelopment in the area is anticipated to occur incrementally over a substantial period of time.

Key objectives and strategies described in the Plan include (*3. Plan Objectives*):

To do this, this Plan is intended to stimulate private sector development in and around the Renewal Area. A combination of private investment, Authority financing, and public investment will assist progress toward the following additional objectives:

- To facilitate redevelopment and new development by private enterprise through cooperation among developers and public agencies to plan, design, and build needed improvements
- To address and remedy conditions in the area that impair or arrest the sound growth of the city
- To redevelop and rehabilitate the area in a manner which is compatible with and complementary to unique circumstances in the area
- To improve pedestrian, bicycle, and vehicular circulation and safety
- To ultimately contribute to increased revenues for all taxing entities
- To encourage the voluntary rehabilitation of buildings, improvements and conditions

Finally, according to the Plan (*#4. Renewal Activities*), an authorized activity the URA may undertake is:

Participation Agreements. The Authority may enter into participation agreements with property owners or developers in the renewal area to facilitate participation and assistance that the Authority may choose to provide to such owners or developers. These may include provisions

regarding project planning, public improvements, financing, design, and any other matters allowed pursuant to the Urban Renewal Law.

Based on discussions with the property owner and others in the plan area, URA staff believes that “but for” financial support from the URA, the project will not proceed due to the high costs of construction, challenging market conditions, and “early adopter” financial risks that continue to discourage private investment in the North College Urban Renewal Plan Area.

History of Similar Projects

Since 2004, the URA has provided financial assistance to multiple projects for property improvements, adaptive reuse, and/or real estate development projects. Private real estate projects that occurred in the North College Plan Area include, but are not limited to, those that are summarized in the table below:

Project	Year	Nature	Amount
302 Conifer	2025	Development-Housing	\$3.22 M + \$100k
Lyric Theater	2017	Development & Economic	\$252,650
Hickory Commons	2016	Development	\$74,953*
Feeders Supply	2014	Adaptive Reuse	\$74,055
Aspen Heights	2013	Development-Housing	\$792,166*
Jax	2010	Improvement & Economic	\$172,757
Kaufman & Robinson	2009	Improvement & Economic	\$192,890
Valley Steel	2006	Development	\$150,000

*approved but never funded

Finally, it should be noted that a “Storefront Improvement Grant” program for all URA plan areas was partially developed in 2013 though never implemented. Many of the objectives and guidelines from that proposed program have helped shape the 1505 North College project currently under consideration.

Property Improvement Grants

Property improvement assistance programs help address blight, stimulate private investment, and strengthen the economic performance of commercial corridors. Historically, these programs are among the most cost-effective tools available to urban renewal authorities and similar development entities that also use tax increment financing (TIF), such as downtown development authorities.

Improvement programs produce highly visible reinvestment results quickly and at relatively low public cost. This is especially true for projects that revitalize facades, storefronts, and the exterior interface situated between the project and the public realm.

Public benefits typically include:

Blight Remediation

- ✓ Remediate blighted conditions: Addresses deteriorated building exteriors, deferred maintenance, and outdated storefronts that contribute to corridor decline.
- ✓ Prevents the return of blight: Encourages ongoing building maintenance and reinvestment, reducing the likelihood that properties will fall back into disrepair.

Catalyzing Private Investment

- ✓ Stimulates and accelerates private investment: Matching grants require property owners to invest their own capital, leveraging public funds to produce significantly larger total improvements.

- ✓ Makes projects happen—and happen sooner: Small public contributions often close financing gaps, allowing projects to move forward faster and at a higher quality level than would otherwise occur.

Strengthening the Tax Base

- ✓ Increases property values and property tax base: Exterior improvements typically increase assessed value and long-term tax increment within the urban renewal area, which will further benefit partner taxing entities soon.
- ✓ Supports sales tax growth: Improved storefronts increase visibility and customer traffic, supporting stronger retail performance and sales tax revenue.

Improving the Public Realm

- ✓ Highly visible public investment: Façade improvements deliver immediate and noticeable changes to the streetscape, reinforcing a sense of revitalization.
- ✓ Better pedestrian experience: Updated storefronts, windows, lighting, and architectural features enhance walkability and the overall quality of the public realm.
- ✓ Improved perception of safety: Well-maintained buildings and active storefronts increase natural surveillance and reduce perceptions of neglect.

Encouraging Additional Reinvestment

- ✓ Creates a “broken windows” revitalization effect: Visible improvements signal reinvestment and pride in place, encouraging adjacent property owners to upgrade their own buildings.
- ✓ Encourages nearby properties to reinvest: Façade programs often trigger a ripple effect of additional private improvements within the surrounding block or corridor.

Strategic Urban Renewal Value

- ✓ Provides a quick, visible win: Compared with large redevelopment projects, façade improvements produce tangible results within months rather than years.
- ✓ Signals public commitment to revitalization: Strategic investment by the Authority demonstrates confidence in the district and reduces perceived risk for private investors.

Property improvement assistance programs are common in Colorado, with the most familiar being the façade improvement grant program administered by the Fort Collins Downtown Development Authority. Other communities with similar programs include Loveland, Johnstown, Grand Junction, Pueblo, Greeley, Delta, Colorado Springs, Cañon City, and Dillon.

FINANCIAL IMPACTS

Total combined grant expense is \$285,000 consisting of Grant A (up to \$85,000) and Grant B (up to \$200,000). All reimbursements are contingent upon documentation of eligible expenses and annual evaluation results for Grant B. Payments will be made only from available North College TIF revenues and are subordinate to existing Authority debt obligations.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

On March 12, 2026, staff presented the project to the Authority Finance Committee. The Finance Committee recommended consideration by the Authority Board.

PUBLIC OUTREACH

ATTACHMENTS

1. Concept Renderings
2. 1505 Executive Summary
3. North College Urban Renewal Plan
4. Staff Presentation
5. Resolution No. 166