

## **Fort Collins council backs urban renewal funding for Capstone student-housing project**

Written by

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New life may be coming to the scene of a Fort Collins tragedy.

The City Council acting as the Fort Collins Urban Renewal Authority on Tuesday approved a proposal to direct \$5 million in tax support to a student-housing project near the CSU campus.

The project – The Commons by Capstone Development Corp. - would be built south of Prospect Road and west of College Avenue in an area that was ravaged by the Spring Creek Flood of 1997.

The 670-bed project would be the first built in the newly designated Midtown Urban Renewal Plan Area and be eligible for tax-increment financing, or TIF, to assist in the construction of public improvements, such as flood-control measures, a new water system and rebuilt roads.

Some council members said they support the project and its potential impact on the South College Avenue corridor, the community and the university.

But Mayor pro tem Kelly Ohlson said he could not support directing public money for features that are eligible for funding under city policies - such as lighting and an on-site recycling collection center - that would be required for any development.

Ohlson said he would be willing to “split the difference” on some items but could not covering the entire cost. Urban renewal funding is not an entitlement, he said.

“You should come to us with an above-and-beyond project,” Ohlson said.

The proposal passes 5-2, with Ohlson and Council member Ben Manvel in opposition.

Council member Wade Troxell said the project would be done in a “very challenging” part of the city that won’t be redeveloped without help.

“I think this project more than exceeds the kind of criteria the city does have and is a quality project,” he said.

The project is expected to cost \$44 million, said Jeff Jones, executive vice president with Capstone. The TIF money is needed to land a \$38 million construction loan for the project.

Without the \$5 million in TIF support, the project cannot happen, Jones said.

TIF is the difference in property tax collected from the area from before and after redevelopment and subsequent increases in property values. Money is shared with the developer to cover the cost of public improvements.

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The Commons would have 220 housing units in configurations of four, three, two and one-bedroom apartments. The complex is expected to open in 2013.

The property at 1635 S. College Ave. is the site of the former Johnson Mobile Home Park, which was heavily damaged in the Spring Creek Flood. Four of the five people who died in the flood were in the park.

The property has a stigma attached to it, said Cheryl Olson, whose family owns the land. The site needs extensive improvements if it is ever to be redeveloped.

Developers have pitched other projects for the site over the years, she said, but backed away when they realized the complexities they would have to address.

Capstone, which focuses on in-fill development, appears to be different, Olson said.

The company is “the right folks in the right place to build the right project for our community,” she said

Mayor Karen Weitkunat said the project would be an economic boost for the area and the community and tie in well with the Mason Corridor project, which will bring a bus rapid transit system to the city.

But without TIF support, the project will not happen, she said, a potential catalyst would be lost.

“If the project doesn’t go we’ll have 100 percent of zero,” she said.