

Northern Colorado BUSINESS REPORT

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Commons: The big draw to Midtown?

By Molly Armbrister

The Commons, the first project in the newly created Urban Renewal Area in Midtown Fort Collins, is expected to generate \$8 million in tax increment financing over the next 25 years, according to the city's estimates.



If those projections are accurate, the Commons will have attracted hundreds of students to the area, creating a buzz all along south College Avenue. Better yet, the city said it is hearing from other developers with an interest in the area, which was hit hard by the deadly Spring Creek Flood of 1997.

Expectations are high

"This project plants the seed for more economic growth in the Midtown area," said Ray Martinez, who sits on the South College Business Association's Board of Directors. "This is just the beginning of development that will bring more commercial and retail businesses to the area."

The Commons will be a mixed-use building to be developed by Alabama-based Capstone Development Corp., which is aiming to complete the project by August 2013. The residential portion of the building will serve as housing for Colorado State University students consisting of 665 beds in 220 units.

CSU students spend thousands of dollars each in the local economy each year, Martinez said, and bringing a high concentration of students to the Midtown area should mean more business for area shops, restaurants and others.

"The businesses in the area are very pleased and excited about the potential of Midtown redevelopment," Martinez said. Looking ahead, the increased revenue for area businesses also will mean more jobs for Fort Collins residents, he said.

The project also complements the Mason Street corridor plan because students use the bus system in Fort Collins more than any other residents, Martinez said. The Mason Street plan is scheduled for completion in December 2013 and will bring a new rapid bus system called the Mason Express to the stretch of Mason Street between Maple Street and Harmony Road, which runs parallel to the Midtown corridor.

The Commons will be located at the southwest corner of College Avenue and Prospect Road, within walking or biking distance from the CSU campus. Workers from Fort Collins-based Connell Resources are already onsite, preparing the area for construction that is scheduled to begin in late spring 2012.

Catamount Constructors Inc., based in Evergreen, will serve as the general contractor for the project. The project will create construction jobs for two years while it is being completed.

CATALYZING MIDTOWN - The Commons will be the first project to be developed in the Midtown Fort Collins Urban Renewal Area and will have beds for 670 Colorado State University students and 6000 square feet of retail space. The project is expected to generate \$8 million in tax increment financing over the 25-year life of the building.

The \$44 million project will also include 8,000 square feet of retail space, some of which will have the potential for store fronts on College Avenue, according to Jeff Jones, executive vice president of Capstone.

Christina Vincent, redevelopment program administrator for the City of Fort Collins, echoed Martinez' sentiments about The Commons' potential to get other businesses and developers excited about the Urban Renewal Area, officially created last month by unanimous City Council vote.

"This project will be catalytic for the rest of Midtown," Vincent predicted.

Vincent said that she is aware of six other projects that are interested in the Prospect South area, one of the first TIF districts to be activated in the Midtown URA, but declined to share details because of ongoing negotiations. Midtown is defined as the section of College Avenue between Prospect and Harmony Roads.

All projects in the Urban Renewal Plan Area are eligible for tax-increment financing through the city. To help finance its project, Capstone will receive a \$5 million loan from the URA Board against the \$8 million in anticipated TIF dollars.

Under TIF deals, government continues to receive the same level of tax revenues it collected prior to the establishment of the TIF. But all increases in tax revenue as a result of urban redevelopment are left in the hands of the special taxing district to fund further improvement.

Another URA in Fort Collins has already begun to see success.

The North College Urban Renewal Area, which encompasses College Avenue north of Old Town, witnessed the completion of a 123,000-square-foot King Soopers and a variety of other businesses this spring as part of the North College Marketplace, which broke ground in October 2009.

The North College Marketplace, developed by Loveland Commercial LLC, received \$8 million from the Urban Renewal Authority to fund infrastructure including road improvements on North College and Willox Lane adjacent to the project and wetlands mitigation and enhancements to the north and east of the project.