

AGENDA

URA Finance Committee

December 9, 2021

3:00 pm – 4:00 pm

1. Mason Street Right-of-Way Acquisition Support

This meeting will be held digitally via Zoom. To join this meeting, please use the link below:

<https://us02web.zoom.us/j/88211081978?pwd=S2p5b0ZlU21SRXVMOFUrRFpBa3BVZz09>

Meeting ID: 882 1108 1978

Passcode: 374746

One tap mobile

+13462487799,,88211081978#,,,,*374746# US (Houston)

+16699006833,,88211081978#,,,,*374746# US (San Jose)

Other business:

URA FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: Clay Frickey, Redevelopment Program Manager

Date: December 9, 2021

SUBJECT FOR DISCUSSION: Mason Street Right-of-Way Acquisition Support

EXECUTIVE SUMMARY

Constructing Mason Street and providing stormwater infrastructure on the westside of College Avenue has long been a priority of the Urban Renewal Authority (URA). City Engineering staff began acquiring right-of-way to support both projects in 2021. Engineering staff were unable to reach agreement to acquire a key parcel at 126 Hemlock Street. In response, Engineering staff began negotiating a land purchase from the property owner of 202 Hemlock Street. City Council was prepared to consider an item beginning eminent domain proceedings for 202 Hemlock Street when it came to staff's attention that the property owner at 126 Hemlock Street was willing to sell. 126 Hemlock Street appraised a few years ago for \$1.1 million. Engineering only has \$560,000 remaining in their budget to acquire right-of-way for Mason Street. Engineering is seeking financial support from the URA to acquire 126 Hemlock Street.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Finance Committee support bringing an agenda item to the URA Board to consider providing financial assistance to acquire 126 Hemlock Street?

BACKGROUND/DISCUSSION

In 2010, the Authority and City collaboratively developed an Infrastructure Funding Plan for the North College plan area. This plan provided guidance on how to prioritize and fund essential public infrastructure to support the goals of the North College Corridor Plan and North College Urban Renewal Plan. The centerpiece of this funding plan was a list of proposed projects with prioritization level, anticipated project costs, and potential funding sources. Since adopting this funding plan, the Authority and City have completed nearly all the proposed projects. The last remaining projects are the construction of Mason Street and associated stormwater infrastructure.

The Authority and City have worked together over the past several years to complete the Mason Street corridor with a stormwater outfall to the Poudre River. The Authority contributed \$300,000 in 2019 to help fund initial design of the stormwater system. In 2020, the Authority Board adopted a Community Investment Plan for the North College Plan Area. The Community Investment Plan provides guidance on how to allocate unpledged tax increment revenues to support the North College community. One of the areas of investment recommended by the Community Investment Plan is the Mason Street corridor and associated stormwater improvements.

City Engineering staff began acquiring right-of-way for the Mason Street corridor in 2021. Engineering staff were able to acquire most of the right-of-way needed for Mason Street south of Hickory. One exception is the subject parcel located at 126 Hemlock Street. 126 Hemlock houses an operating business. The owner of the business and parcel was not interested in selling their land to the City. As a result, Engineering staff began negotiating acquisition of the property next door at 202 Hemlock Street. 202 Hemlock Street is the location of Phase 2 Company. Engineering staff had scheduled an eminent domain proceeding at City Council on September 7, 2021, to acquire the right-of-way from 202 Hemlock Street. Around the City Council meeting, the property owner of 126 Hemlock Street notified Engineering staff they would be interested in selling their property to the City.

126 Hemlock Street appraised at \$1.1 million a few years ago. The City would have to purchase the whole site to obtain the right-of-way needed for the Mason Street Corridor. Engineering only has \$560,000 remaining in their budget for right-of-way acquisition, leaving an estimated \$540,000 gap based on the most recent appraisal. Engineering is seeking financial support to fill the financial gap to acquire 126 Hemlock Street.

Advantages and Disadvantages

The advantages of supporting the acquisition of 126 Hemlock include:

- Acquiring 126 Hemlock Street would create a straighter path for the Mason Street corridor. Having a straight path for the street with a four-way intersection at Hemlock Street creates a safer environment for all modes of travel. Offsets in the street create more turning movements, which introduce more potential for conflicts between other auto users and other modes of travel.
- The Lyric dedicated right-of-way as part of their development. The Lyric's right-of-way dedication for Mason better aligns with 126 Hemlock Street than 202 Hemlock Street.
- This transaction to purchase 126 Hemlock Street would also be between a willing buyer and willing seller. This means there would be no need to proceed with eminent domain as would have been necessary for acquiring a portion of 202 Hemlock Street.

Some of the disadvantages of supporting the acquisition of 126 Hemlock include:

- It is unclear what the ultimate financial gap will be. Engineering estimates a gap of \$540,000 based on an appraisal for 126 Hemlock that is a few years old. The gap could be more or less, depending on the results of a new appraisal.
- Stormwater will still be seeking the support of the URA for building a stormwater system and outfall in the Mason Street corridor. Investing in acquiring 126 Hemlock Street leaves the URA with less money to contribute to the stormwater portion of this project.

Financial impact to the Authority

The North College Plan Area currently has over \$2 million in available cash. The North College Community Investment Plan suggested allocating \$1.9 million to infrastructure improvements by the end of 2022. Supporting the acquisition of 126 Hemlock Street would leave \$1.4 million remaining to further support the Mason Street and stormwater project, assuming the URA

contributes \$540,000. Providing financial support to this right-of-way acquisition would not affect the URA's support of other priorities in the North College Plan Area, including the community hub. The Community Investment Plan suggests allocating around \$240,000 to the community hub by the end of 2022. The Authority would have enough cash reserves on hand to fulfill these financial commitments to the community hub while still supporting infrastructure projects.

NEXT STEPS

If the Finance Committee recommends the URA Board discuss this opportunity, staff will bring an agenda item forward for the URA Board's consideration at their regular meeting on January 27, 2022.

Mason Street Right-of-Way Acquisition Support



- City acquiring right-of-way for Mason Street
- 126 Hemlock uninterested in selling initially
- Proceeded with acquiring portion of 202 Hemlock
- 126 Hemlock now interested in selling
- Engineering seeking URA support
 - Difference between remaining budget and appraised value of 126 Hemlock



126 Hemlock St.

202 Hemlock St.

Hemlock St.

Mason St.

College Ave.

40m

1:500

VER'S EDGE NATURAL AREA

City of Fort

Advantages and Disadvantages

Advantages	Disadvantages
Provides straight corridor	Unclear on ultimate financial gap
Better aligns with other right-of-way dedications	Leaves less money to contribute to stormwater
Willing buyer, willing seller	

- \$2 million in reserves
 - Engineering estimates \$540,000 of URA funds needed
- Aligned with Community Investment Plan
- Would not impact investing in other priorities

Does the Finance Committee support bringing an agenda item to the URA Board to consider providing financial assistance to acquire 126 Hemlock Street?

