

AGENDA

URA Finance Committee

July 14, 2022

3:00 pm – 4:00 pm

1. South College Plan Area Formation

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

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Meeting ID: 882 1108 1978

Passcode: 374746

Other business:

URA FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: Clay Frickey, Redevelopment Program Manager

Date: July 14, 2022

SUBJECT FOR DISCUSSION: South College Plan Area Formation

EXECUTIVE SUMMARY

Council members expressed an interest in exploring a potential new Urban Renewal Plan Area on South College at a recent City Council meeting. The first step in creating a new plan area is commissioning an Existing Conditions Study. An Existing Conditions Study entails conducting a field survey and seeing if there are conditions of blight within the study area as defined in State statute. If four of the eleven blight conditions are present, the Urban Renewal Authority may create a plan area. Staff has proposed a study area that follows the commercial zone district boundaries between Fossil Creek Parkway and Trilby Road along College Avenue. Economic Planning Systems, the Authority's on-call financial services consultant, would help administer the Existing Conditions Study and create the new plan area. The total cost of creating the plan area would be \$50,980, \$7,880 of which would fund the Existing Conditions Study. Conducting an Existing Conditions Study does not obligate the Authority to then create a plan area. If the Finance Committee desires, staff will bring forward an agenda item to the Board considering the commissioning of an Existing Conditions Study along with an appropriation to encumber funds for creating a new plan area.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Finance Committee support bringing forward an agenda item in July considering the commission of an Existing Conditions Study for a potential plan area on South College?

BACKGROUND/DISCUSSION

At a recent City Council meeting, Councilmember Peel brought forward the idea of creating a new Urban Renewal Plan Area in a portion of the South College corridor. Councilmember Peel sought the support of other City Council members to bring forward an agenda item related to commissioning a blight study for South College and exploring a new plan area. Other Council members supported this direction.

Process of Creating a New Urban Renewal Plan Area:

The formation of a new Urban Renewal Plan involves the following steps:

1. Existing Conditions Study – During this step, the Authority evaluates the area for the existence of statutory blight conditions. State statute requires at least four of the eleven conditions of blight to form a new plan area.

2. Draft Urban Renewal Plan - Immediately following the existing conditions study, staff will develop a draft Urban Renewal Plan for the area. The plan will specify goals, objectives, and priorities for the URA within the proposed plan area. The URP will be specific and detailed in describing the plans and priorities for the URA and ensure alignment with the URA Strategic Plan.
3. Negotiate Tax Increment Allocation Agreement with Underlying Tax Entities - State statutes stipulate that the URA will engage with the underlying tax entities within the proposed URP to discuss and address service impacts resultant from new development and the allocation of incremental taxes.
4. Plan Review - Planning and Zoning Commission – The Planning and Zoning Commission will have the opportunity to provide input on the draft Urban Renewal Plan. Staff schedules this review of the plan a few months in advance of bringing forward the final plan to the Urban Renewal Authority Board to allow time for incorporating any changes that might arise from the Planning and Zoning Commission’s feedback.
5. Public Hearing and New Plan Area Consideration by City Council - The final step in the process to form a new plan area is a public hearing and City Council consideration of the matter.

Proposed Study Area

Staff have created a proposed study area for the Existing Conditions Study. The study area generally follows the boundaries of the various commercial zone districts located along South College Avenue starting just south of Fossil Creek Parkway and ending just south of Trilby Road. The proposed study area excludes existing neighborhoods, and captures land that could present good opportunities for redevelopment.

Much of this area developed in the County. The City annexed most of this area as part of the first phase of the Southwest Enclave Annexation in 2006. Since annexation, the area has seen little redevelopment. At the time of annexation, City staff noted deficiencies related to street and stormwater infrastructure. An agenda item summary from June 27, 2006 noted an Urban Renewal Authority Plan Area could be a mechanism for potentially resolving some of these infrastructure deficiencies.

Existing Conditions Study Overview

The Existing Conditions Study is the first step required to create a new Urban Renewal Plan Area. The purpose of the Existing Conditions Study is to see if there are conditions of blight within the proposed plan area. State statute defines 11 blight conditions. Those blight conditions are:

1. Slum, deteriorated, or deteriorating structures;
2. Predominance of defective or inadequate street layout;
3. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
4. Unsanitary or unsafe conditions;
5. Deterioration of site or other improvements;
6. Unusual topography or inadequate public improvements or utilities;
7. Defective or unusual conditions of title rendering the title nonmarketable;
8. The existence of conditions that endanger life or property by fire or other causes;
9. Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or

- inadequate facilities;
- 10. Environmental contamination of buildings or property;
- 11. The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements

Urban Renewal Authorities investigate blight conditions by conducting a field survey of the proposed plan area and documenting any conditions of blight they find. The Existing Conditions Study provides an overview of the findings from the field survey along with a map showing the locations of blight conditions. The locations pinned on the map will also contain photos showing the evidence of blight during the field survey.

Financial Overview

Staff proposes utilizing its on-call consultant for financial services and pro-forma analysis to assist staff with writing the Existing Conditions Study and creating the new plan area. Economic Planning Systems provided the Authority with a proposed scope of work for creating a new plan area on June 19. The cost for Economic Planning Systems' services would be \$50,980. Economic Planning Systems would provide the following services:

- Project initiation
- Undertake Existing Conditions Study
- Write Urban Renewal Plan
- Conduct analysis of impact TIF would have on affected taxing entities
- Develop TIF agreements with affected taxing entities

The Existing Conditions Study would cost \$7,880 per the scope of work. Undertaking an Existing Conditions Study does not obligate the Board to then create a new plan area. This work can be funded from the Urban Renewal Authority's administrative budget. All plan areas pay into the administrative budget. Upon generating tax increment, the new plan area could refund the administrative account for the up-front costs in creating the plan area.

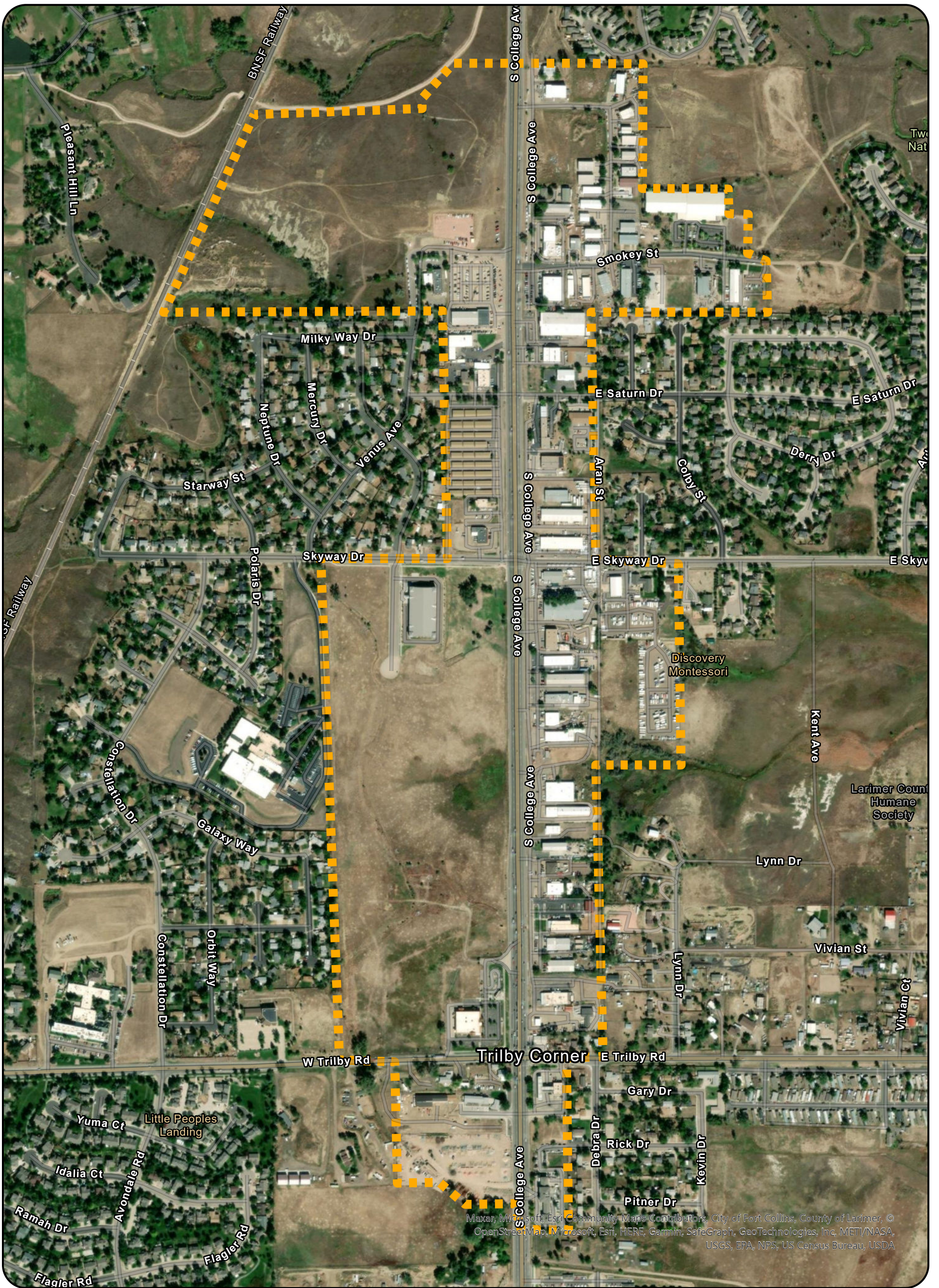
NEXT STEPS

With the Finance Committee's consent, staff will bring forward an agenda item at the July 28 Urban Renewal Authority Board meeting to discuss commissioning an Existing Conditions Study for a potential plan area along South College. Staff will also bring an appropriation with this agenda item so that the Authority can have the funds ready to create a new plan area.

ATTACHMENTS

1. Map of proposed study area
2. Proposed scope of work from Economic Planning Systems

Proposed Existing Conditions Study Area



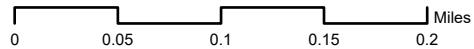
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Scale 1:5,900



Printed: July 08, 2022

SOUTHWEST ANNEXATION URA PLAN

Project Understanding

The Fort Collins Urban Renewal Authority (URA) is evaluating the creation of a new Plan Area on South College Avenue from Fossil Creek Drive to south of Trilby Road to address substandard road and infrastructure and commercial property conditions in the corridor. The properties under study lie within the Southwest Enclave that was annexed to the city between 2007 and 2013. If determined to be eligible, the proposed plan area is expected to enable the use of tax increment financing (TIF) to support investment in infrastructure and urban design improvements that can improve business conditions and encourage and support redevelopment and reinvestment in the corridor.

Project Approach

Economic & Planning Systems (EPS) (and if necessary, its planning subconsultant) propose to assist the URA with the steps needed to implement a new Plan Area consistent with the updated requirements of the Colorado urban renewal statutes (CRS 31-25-107) as modified by HB 15-1348. This includes an existing conditions survey documenting the existence of at least 4 of the 11 conditions of blight in the proposed plan area, as well as an Urban Renewal Plan including goals and objectives, a land use plan concept, and implementation actions including eligible public investments and a financing plan including the proposed use of TIF to pay for these investments.

Presuming a successful outcome, EPS would then assist the URA with compliance of the County's TIF review policies as outlined in the Urban Renewal IGA. This would include an analysis of the direct and indirect impacts of the proposed project on existing taxing districts, preparation of the county impact report, and any additional analyses needed to support agreement on a TIF allocation.

Proposed Work Plan

EPS proposes to complete the tasks needed for an urban renewal plan and TIF agreement as outlined below.

Task 1: Project Initiation

The EPS Team will review the project work plan and schedule with URA and City staff to identify any project issues and concerns that will need to be addressed. EPS will evaluate the proposed URA plan study area and create a parcel database for all properties in order to complete the Existing Conditions Study.

Task 2: Existing Conditions Study

EPS will undertake an existing conditions study to determine the existence of necessary conditions of blight for establishment of a new URA plan area. This will include a GIS parcel analysis and field survey of all properties identified in the study area using blocks or ownerships

as identified in the property database. This survey will be conducted in a methodical and organized manner, with detailed observation notes recorded for each parcel/block. Photographs will be included and labeled with location and directional views. The data collected through parcel and field surveys will be categorized and evaluated as it pertains to the 11 blight criteria outlined in the State statute. Based on the analysis of conditions, EPS will confirm and/or propose modifications to the proposed Plan Area boundaries.

EPS will prepare a concise written report, including the study area definition, an overview of the State urban renewal statute and blight conditions criteria, a description and photographic evidence of the blight conditions discovered in the area, any other supporting exhibits, and final conclusions as to a finding of blight against the 11 statutory criteria.

Task 3: Urban Renewal Plan

EPS will prepare a draft URA Plan for a proposed Southwest Plan Area consistent with state statute requirements as well as Fort Collins URA policies. The draft plan is expected to include the following elements:

- **Purpose** – The purpose and intent of the plan will be described along with the proposed plan boundary. A plan area map will be delineated along with the required legal description included as an appendix.
- **Findings of Blight** – A summary of the Existing Conditions Study establishing the minimum findings of blight required by state statute. The entire report will be included as an appendix.
- **Goals and Objectives** – We will establish plan specific goals and objectives consistent with the CityPlan, Southwest Annexation agreement, and other applicable plans and policies.
- **Renewal Activities** – A description of the urban renewal powers and activities allowed for by state law that may be undertaken by the URA including public improvements, property acquisition, eminent domain, demolition, relocation assistance, and hiring activities. Any powers allowable by state law but explicitly not included in the plan will also be specified.
- **Plan Concepts** – If determined to be needed or desired, land use concept drawings or illustrations depicting planned urban renewal investments will be provided by an urban design subconsultant. This work is identified as an optional task item and not budgeted at this time.
- **Financing** – The plan will establish the authority and intent to use property tax increment financing as enabled under state statutes. The required steps to implement TIF under the statute as modified by HB 15-1348 and the County IGA regarding TIF will be delineated. The City's ability to also utilize sales tax TIF may also be described if applicable.

The draft plan will be submitted to URA staff for review and comment with a final plan document returned within two weeks of receipt of comments.

Task 4: URA TIF Impact Analysis

EPS will determine the direct fiscal and indirect economic impacts of the use of TIF within the URA Plan Area on the County, Poudre School District, and other affected taxing entities. The following steps are anticipated:

- Analyze the anticipated development within the URA Plan utilizing the TIF Fiscal Impact Model developed by EPS for the County, Health District, and Library District.
- Evaluate the impacts of development within the URA Plan TIF on the Poudre School District including completing a high level fiscal impact analysis of the project on existing and future base property tax revenues and estimated costs to service additional school children population generated by the Plan Area.
- Evaluate the fiscal and economic impacts for other affected taxing districts including NoCo Water Conservation District, and Larimer County Pest Control District.
- Complete a comprehensive Impact Report that incorporates the results of the fiscal impact analysis and other indirect economic impacts of the project on the city, county, school district, and other taxing entities. This report will fulfill the URA requirements for a county impact report.

Task 5: TIF Financing Agreements

EPS will assist the URA with reaching a TIF funding agreement for the proposed plan with all taxing entities under state statutes as modified by HB 15-1348 and by the Larimer County IGA on TIF Project Evaluation.

- Present the findings of the fiscal and economic impact evaluation to URA staff and Board.
- Present and discuss potential funding options based on the impact evaluation.
- Conduct any additional TIF revenue projection scenarios requested by staff in advance of a recommendation on funding.
- Run a TIF revenue forecast for the URA Plan based on the agreed upon level of TIF participation for all taxing entities.

Task 6: Meetings

The EPS Team anticipates four meetings (in person or virtual) over the course of the plan as follows:

- EPS will present the draft URA Plan to the URA Board for review.
- EPS will present the project financial analysis to the Council Finance Committee for review.
- EPS will meet with staff to review the Project Impact Analysis Report on the County, School District, and other taxing entities, and present preliminary funding options.
- EPS will present its URA TIF financial forecasts from the proposed funding agreements as well as the revenue forecasts for the other taxing entities.

Budget and Schedule

EPS budget is shown in **Table 1** below.

Table 1
SW Annexation URA Plan

	EPS Staff				Total
	Principal Guimond	EVP Prosser	Assoc Dunmire	RA Ilig	
Billing Rate	\$250	\$220	\$140	\$110	
Labor Costs					
Task 1: Project Initiation	4	4	4	16	\$4,200
Task 2: Existing Conditions Survey	4	4	24	24	\$7,880
Task 3: Urban Renewal Plan	4	8	40	24	\$11,000
Task 4: TIF Impact Analysis	8	16	40	24	\$13,760
Task 5: TIF Financing Agreements	4	8	16	8	\$5,880
Task 6: Meetings	8	16	16	0	\$7,760
Subtotal	32	56	140	96	\$50,480
as % of Total Staff Hours	10%	17%	43%	30%	
Total Staff Hours					324
Direct Costs					
Local Travel (at \$0.625 per mille)					\$350
Miscellaneous expenses					\$150
Urban Design Support (optional task if needed)					\$0
Subtotal					\$500
Total Project Cost					\$50,980

Source: Economic & Planning Systems

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Schedule

Task 1: Project Initiation: July 18

Task 2: Existing Conditions Survey: July 18 – Aug 12

Task 3: Draft Urban Renewal Plan: Aug 15 - Sept 2; Final Urban Renewal Plan: Sept 16

Task 4: TIF Impact Analysis: Sept 19 – Oct 14

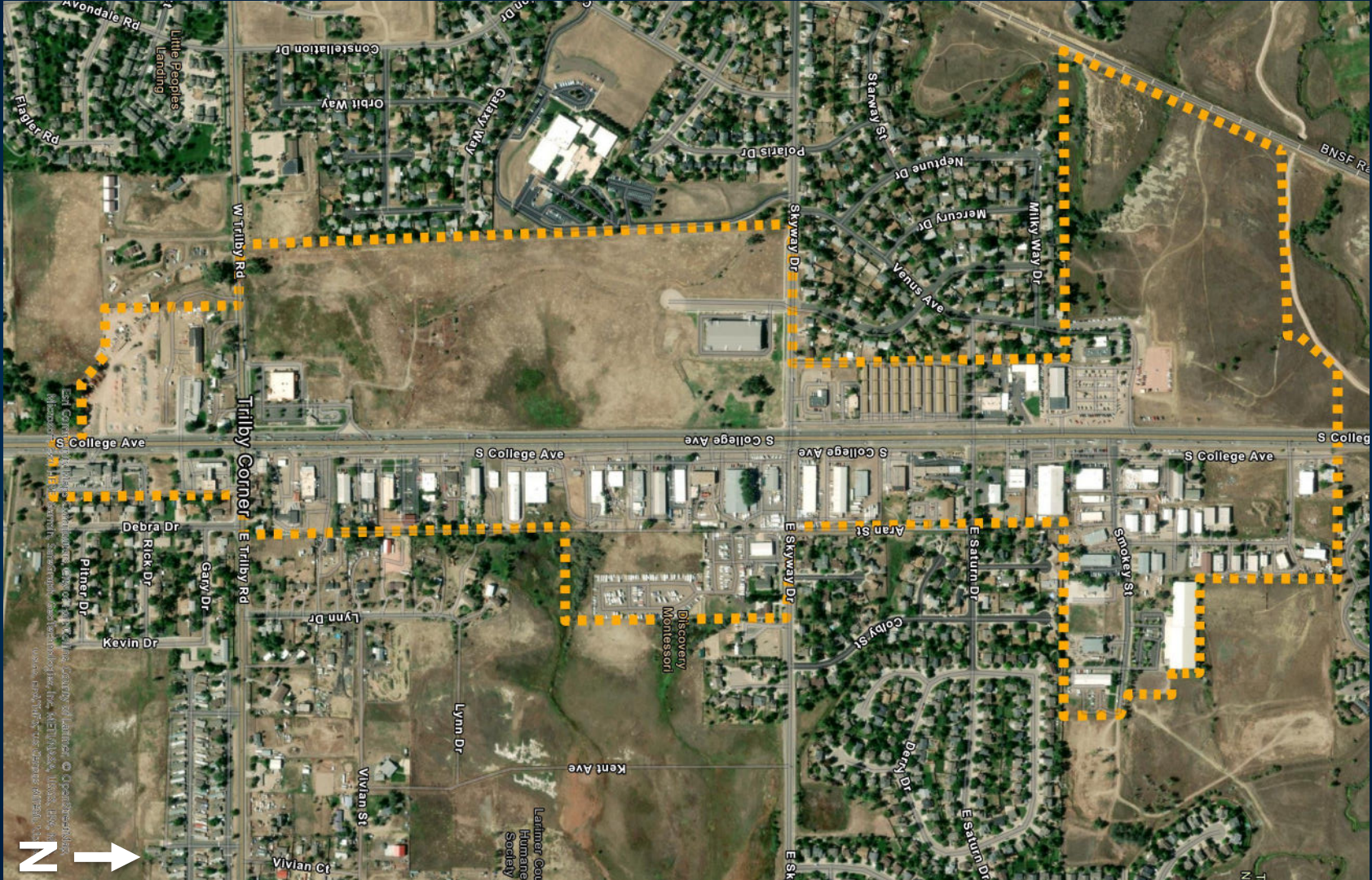
Task 5: TIF Financing Agreements: Oct 17 – Nov 4

Task 6: Meetings – As specified

South College Existing Conditions Study



- Council members expressed interest in new plan area
- Multi-step process
 - **Existing Conditions Study**
 - Draft Urban Renewal Plan
 - Negotiate with Taxing Entities
 - Plan Review
 - City Council Hearing



East County Planning and Development Services
Map No. 1118
Map Date: 11/18/2024
Map Scale: 1" = 100'



Existing Conditions Study Overview

- Field survey of study area
- Document conditions of blight
- 11 conditions of blight in State statute
- Must find 4 to create new plan area

Plan Areas Creation Process Outline

Evaluate

- Step 1 – Identify Focus Area
- Step 2 – Existing Conditions Study

Develop

- Step 3 – Define Objectives
- Step 4 – Understand Redevelopment Potential
- Step 5 – Document Public Improvements

Adopt

- Step 6 – Run Impact Model & Present to Entities
- Step 7 – Agree Upon Impact & Mitigation
- Step 8 – Adopt the Plan

Proposed Scope of Work

Project Initiation	\$4,200
Existing Conditions Study	\$7,800
Urban Renewal Plan	\$11,000
TIF Impact Analysis	\$13,750
TIF Financing Agreements	\$5,880
Meetings	\$7,760
Misc. Costs	\$500
Total Cost	\$50,980

Question for Finance Committee

Does the Finance Committee support bringing forward an agenda item in July considering the commission of an Existing Conditions Study for a potential plan area on South College?