

AGENDA

URA Finance Committee

April 11, 2024

3:00 pm – 4:00 pm

1. URA Budget & Budgeting for Outcomes (“BFO”)
2. Supplemental Budget Request: Technical Consultant Services
3. Supplemental Budget Request: South Prospect Bike/Ped Design RFP

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

Join Zoom Meeting

<https://us02web.zoom.us/j/88212193120>

Meeting ID: 882 1219 3120

Join Via Phone:

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URA FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: Josh Birks, Acting Executive Director.
Andy Smith, Redevelopment Manager.

Date: April 11, 2024

SUBJECT FOR DISCUSSION

Overview of the 2025/2026 Budgeting for Outcomes Process

EXECUTIVE SUMMARY

The City of Fort Collins (“City”) has begun its biennial budget process for 2025/2026. In 2020, the Fort Collins Urban Renewal Authority (“URA”) board adopted its first budget after expanding to include additional members from the partnering tax entities. At that time, the board directed staff to continue to participate in the City’s Budgeting for Outcomes (“BFO”) process. A preview of that process shows the important dates and how the URA will integrate its own process into the City’s.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Do you have any questions about the budgeting for outcomes process this year?
2. Any concerns with the proposed schedule for board review and approval?

BACKGROUND/DISCUSSION

Historically, the URA has participated in the biennial budgeting process conducted by the City. This practice stems from the original membership of the URA board being only made up of City Council members. In 2020, when the expanded board of 11 members were presented with a question as to whether or not to continue participating the board elected to continue. As a result, the URA has continued to participate in the City’s BFO process.

The primary way that the URA participates in BFO is the preparation and submittal of “offers” or requests for funding. There are typically two primary offers:

1. Urban Renewal Authority – covers basic staffing and operations of the authority.
2. Urban Renewal Authority Debt Service – covers all the contractual obligations for repayment of tax increment financing as well as the payment on any outstanding debt.

Drafts of both offers will be provided with the April 25th regular board meeting packet.

BFO & URA Budget Timeline Alignment

The primary focus of the discussion with the URA Finance Committee is to confirm the schedule and answer any process questions before the BFO process advances significantly.

Key BFO Milestones

1. Budget Offers Due: **4/26**
2. City Manager's Recommended Budget: **9/1**
3. City Council Public Hearing: **9/17**
4. City Council Public Hearing: **10/1**
5. First Reading of Budget Ordinance: **11/5**
6. Second Reading of Budget Ordinance: **11/19**

URA Budget Adoption Milestones

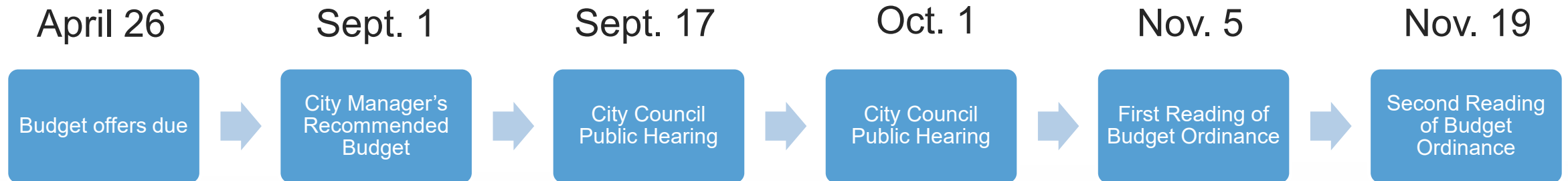
1. Process Overview (Finance Committee): **4/11**
2. Present Budget (Regular): **7/25**
3. Amended Budget, *if required* (Regular): **8/22**
4. Update on City Manager's Recommended Budget, if desired (Regular): **9/26**
5. Adopt 2025 Budget at a Public Hearing (Regular): **10/24**

ATTACHMENTS

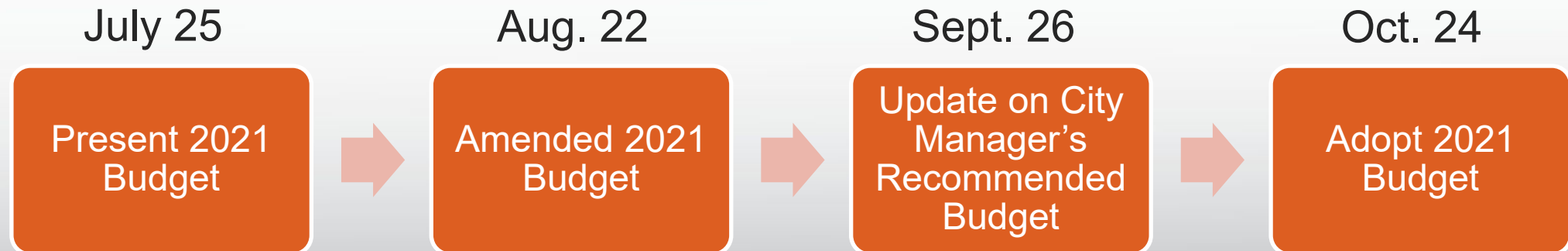
1. BFO & URA Budget Adoption Timelines

BFO and URA Board Timelines

BFO Milestones



URA Board Milestones



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SUBJECT FOR DISCUSSION

Supplemental Budget Request: Technical Consultants

EXECUTIVE SUMMARY

Several key real estate projects are expected to become priorities for URA staff to manage during 2024 and 2025. Most milestones for these projects are unknown, and a considerable amount of the work to be performed is highly technical in nature. In anticipation of this dynamic workload, staff recommends that several professional service providers be contracted “on call” to provide deliverables as specific needs emerge. To be clear, the budget for these services will only be spent as technical services are procured.

In addition to the real estate projects mentioned above, staff are also requesting supplemental funds to update the URA website so that it complies with the accessibility provisions required by HB21-1110 and WCAG 2.1 AA by July 1, 2024.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Would the URA Board prefer that additional staff be hired as City employees, or does it agree that a series of nimble technical consultants be hired on an as need, on call basis?
2. Considering the real estate projects that staff anticipates, does the URA Board agree with the types and scopes of technical services requested?
3. If the URA Board authorizes staff to hire a contractor to update the website, would they also like staff to request proposals and cost estimates to update the website beyond simply the accessibility requirements?

BACKGROUND/DISCUSSION

For the technical real estate services, Staff has estimated budget numbers based on 18 months of potential activity to begin July 1, 2024, and conclude December 31, 2025. For the website consultant, staff has roughly estimated a “not to exceed” project cost for immediate engagement. It should be noted that these cost estimates are based on broad defined work scopes that are difficult to confirm at this early stage, given the dynamic nature of real estate due diligence and the projects in question.

It is important to note that many of the potential expenses (development soft costs) can and will be reimbursed by specific projects via their respective financing agreements.

URA staff recommends the following technical services and associated budgets be contracted for the remainder of 2024 and 2025:

1. Physical Due Diligence/Engineering: These services are to provide environmental, mechanical, electrical, plumbing, and structural analysis in the event the URA contracts to purchase real estate. \$75,000 total (\$25,000 in 2024, and \$50,000 in 2025).
2. Financial and Economic Modeling and Analysis: The URA currently has a funded on-call contract for services with Economic and Planning Systems (EPS). This service includes but is not limited to market studies, pro forma analysis, partnership structure, and TIF forecasts.
3. Planning: These services include zoning reports, site planning, utility infrastructure, access plans, massing studies, and entitlements. \$120,000 total (\$40,000 in 2024, and \$80,000 in 2025).
4. Architecture: These services include conceptual building design, code analysis, site planning, and cost estimating. \$75,000 total (\$25,000 in 2024 and \$50,000 in 2025).
5. Owners Rep: These services include project management, contractor management, cost management, and technical negotiations. \$120,000 total (\$40,000 in 2024, and \$80,000 in 2025).
6. Website Update: This service will update the URA website so that it complies with the accessibility provisions required by HB21-1110 and WCAG 2.1 AA by July 1, 2024. Estimated not to exceed amount of \$50,000.

Supplemental Appropriation Amount

Only the funds anticipated for 2024 (\$180,000) will be appropriated by this supplemental request. The additional funds for 2025 will be included in the 2025/2026 URA Budget.

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SUBJECT FOR DISCUSSION

Supplemental Budget Request: Prospect South Bike/Ped Design RFP

EXECUTIVE SUMMARY

Staff is requesting a supplemental budget appropriation in the amount of \$275,000 to prepare 30% design documents for bicycle and pedestrian improvements in the Prospect South plan area. Approval will allow staff to issue a Request for Proposals (“RFP”) from qualified consultants.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Is this project still a high priority for the URA Board?

BACKGROUND/DISCUSSION

In 2020 and 2021, Urban Renewal Authority (URA) staff collaborated with the Institute for the Built Environment on a series of public workshops to generate ideas on how to best spend unplugged tax increment in the Prospect South Plan Area. The top priority project from this engagement was bicycle and pedestrian connectivity west of College Ave. On March 25, 2021, the URA Board adopted the Prospect South Community Investment Plan. The Prospect South Community Investment Plan identified five projects for investment with enhanced bicycle and pedestrian connectivity west of College Avenue as the top priority project.

In accordance with the Community Investment Plan, staff seeks an appropriation of \$275,000 to begin implementing bicycle and pedestrian improvements west of College Avenue. This process will entail:

- Creation of an existing conditions report documenting the bicycle and pedestrian network in its current state;
- Series of public meetings to generate ideas and solicit feedback on potential design solutions;
- Development of a preferred design with preliminary engineering design (30% design);
- Maintenance plan for proposed improvements; and
- Initial survey and easement work for acquiring property needed for completion of bicycle and pedestrian network.

Currently, the fund balance of the Prospect South Plan Area is estimated to be slightly more than \$1,424,814. Approval of this \$275,000 budget request would leave approximately \$1,149,814 in reserves for other priorities or to continue to advance the bike/ped connectivity project.

On May 26, 2022, a similar supplemental budget request for \$250,000 was approved by the URA Board, however the money was not spent as the RFP was not issued due to staffing capacity. Shortly after the appropriation several staffing changes occurred within the Sustainability Services area which managers the Urban Renewal Authority, including reassignment of the Deputy Director (and Acting Executive Director of the URA) to the role of lead executive for the service area. Shortly thereafter, the Redevelopment Manager went on temporary, later becoming permanent, loan to the Planning Development and Transportation Service Area.