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After Years of Decay, Tax Increment Financing Is Remaking North Fort Collins

By Louise Anderson

The area around North College Avenue in Fort Collins, Colo., has needed a little love for a long time. You know the kind of place: An older area, centered around a heavily trafficked state highway, served by the most basic infrastructure, and populated with automotive businesses, budget motels and mobile home parks.

The North College area's location is both an asset and part of its problem. It's close to downtown, but just north of the Poudre River, which forms both a physical and mental dividing line; its development has been further hindered by floodplain issues. For decades, the growth in Fort Collins went from downtown to the south, while the north stayed at a standstill.

Yet even as the effects of the recession hang on, the North College area is gaining about \$100 million in public and private investments, including new retail and housing development, business expansions, and even a technology incubator. Fort Collins finally put its Urban Renewal Authority and the power of tax increment financing (TIF) to work.

Three steps to getting started

Fort Collins's Urban Renewal Authority (URA), created in 1982, was essentially unused until 2004. That's when the North College Urban Renewal Plan was approved at the urging of the North Fort Collins Business Association, a group of business owners that formed in the 1990s and worked to focus the city's attention on the area.

But the area's floodplain issues had to be addressed before TIF could be tapped. Planning for that had begun back in 2002, and in 2006, the city invested \$10 million in capital improvement funds to shrink the floodplain and create 1,100 acres of developable land. The area's makeover got another shot in the arm when residents city-wide authorized a quarter-cent sales tax in 2004, which has brought in \$4.7 million for road improvements along North College Avenue.

Then the economy tanked. In the tough financing climate of the past two years, TIF has been the critical element to get the bulldozers rolling in North Fort Collins.

Going up now

The catalyst project for the area's revitalization is North College Marketplace, a \$40 million, 26-acre shopping center. Ground broke on the center in October last year, and construction on the anchor supermarket is currently under way.

"The vision came from the developer wanting to develop on that parcel," said Christina Vincent, the URA's Redevelopment Program Administrator. "We worked with them to get the right mix for what the community needed and meet goals of the URA with the project."

In September 2008, the URA approved \$8 million in TIF funding to mitigate wetlands and complete street and utility work for North College Marketplace. The center is expected to open in spring 2011 with a bank, liquor store, dry cleaners, hair salon and restaurants.

The shopping center's development slowed in the recession, but leasing is expected to pick up with construction under way. The project is expected to generate \$15.5 million in property tax increment over the life of the plan area.

The North College Marketplace project has led to six additional TIF projects. Across the street, construction began in October 2009 on Union Place, a LEED-New Development community with 19,000 square feet of commercial space and 89 residential units. The project, which includes affordable housing and will use geothermal energy, received \$2.2 million in TIF funds for stormwater, sidewalk and street improvements.

Beyond housing and retail development, the funding has attracted an accelerator for technology startups to the North College area. The Rocky Mountain Innovation Initiative (RMII) will move from multiple older spaces it currently leases from the city into a new, 31,000-square-foot LEED Gold facility. The space will house offices, bioscience labs, conference facilities and other amenities for its companies when it opens later this year.

RMII is receiving \$2.8 million in TIF funding for street improvements and utilities, but it took more leverage to get the incubator under way. New Markets Tax Credits, private investment, and a partnership with the city of Fort Collins were combined to make it happen in the URA's most complicated deal to date.

Other investments in road improvements, utilities and sewers in the area – plus two business expansions and land for four Habitat for Humanity homes – bring total TIF dollars invested in the North College area to \$13.7 million. That's just over half of the \$26 million the projects are expected to generate.

In a recession, TIF makes a bigger difference

The developers of both North College Marketplace and Union Place both say that the URA's tax increment dollars were key to making their projects a reality.

"Without urban renewal, we wouldn't be having this conversation at all," said Vincent, who has seen a dramatic increase in her workload since the end of 2008. "There is incredible momentum going on in Fort Collins for people who are interested in TIF. [North College] is a great example of redevelopment happening in an area that needs it."

Learn more during "[Using TIF Districts to Jumpstart Community Recovery](#)", IEDC's upcoming web seminar, taking place on July 22 at 2:30 EST. [Register today!](#)

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