
North College Area Market Analysis

FALL 2005

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Executive Summary

This analysis of market demand for the North College Avenue segment of Fort Collins was conducted to help determine the area's redevelopment potential, and to provide direction for the Urban Redevelopment Authority (URA) future activities. This analysis includes review of data regarding the area's socioeconomic characteristics, growth potential, competition and constraints. In addition, community input provided insight into the dynamics of the North College area.

NORTH COLLEGE STUDY AREA

Analysis was conducted for the geographic area delineated by the boundaries of the *North College Avenue Urban Renewal Plan*. This study area is bounded by the Poudre River on the south and Highway 1 on the north, extending east and west about ¼ to ½ mile along an irregular boundary. Exhibit A is a map depicting this study area.

MAIN FINDINGS: MARKET AREA & RESEARCH DATA

Following are some highlights from the market research:

- North College Avenue cannot compete with the activities in Fort Collins located south of the Poudre River. A Primary Market Area extends north from the river and Vine Drive to the State line. A Secondary Market exists in Wyoming. A City Market Area includes the City of Fort Collins as a whole.
- Consumer spending in most categories is higher than national averages in the Primary and City Market Areas; and lower than the national averages in the Secondary Market Area.
- Transportation expenses, which includes purchase of vehicles, service and accessories is significantly higher than the national average in both the Primary and City Market Areas.
- The populations in the Primary and City Market Areas spend nearly as much on food eaten away from home (restaurants) as at home (from groceries). Entertainment spending is also very high. All of the household averages in the Primary Area are higher than the national averages.
- The opening of Super Wal-Mart has generated a reduction of grocery sales in the North College Study Area of \$3.6 million annually.
- The population of the Primary Market Area spends \$54.4 million annually on food away from home.
- The population of the Primary Market Area spends \$49.0 million annually on apparel purchases. The spending for apparel in the Primary Market Area is \$2.5 million annually. This data reveals there is a net "loss" from the Primary Market Area of \$46.5 million in this category. Those people living in the Primary Market Area make nearly 95% of their apparel expenditures outside of this study area.

The population within the Primary Market Area spends an average of \$1,562 per household on home repairs annually, which generates a Market Index of 121, substantially higher than the national average.

The population within the Primary Market Area spends a very high percentage of the household dollars on Used Automobiles (Market Index of 147) and Boats and Supplies (Market Index of 180).

The industry supplying the highest percentage of employment is Services, which is typical of most communities. The North College Study Area, however, employs a higher percentage of its workforce in Construction, Manufacturing and Wholesale categories.

The most significant strengths of the area are the availability of land and the pending Dry Creek Flood Control Project, which will make the costs of developing the land more reasonable than in the past.

The establishment of the URA and the effectiveness of the North Fort Collins Business Association are also significant strengths leading to future potential.

Weaknesses exist in the area's negative perception as well as the lack of a cohesive approach to the area's development.

MAIN FINDINGS: DEMAND

Following is a summary of demand for a 5- to 10-year timeframe:

Demand is good in the Primary Market Area for neighborhood and community shopping, with a focus on basic goods and services. Businesses in the North College study area could capture significant increased spending. This study area's market, however, is vulnerable to development of new commercial areas which could reduce demand in the study area.

Regional services generally are not likely to be attracted to this study area. However, one specific attractor which could draw from the larger region is outdoor goods and services. This sector could thrive based on the relationship to the Poudre Canyon and other recreation areas.

Demand for a new shopping center is usually based on the attraction of an anchor such as a grocery store or department store. If a new grocery store does locate in this study area, it could be the basis for a shopping center. Otherwise, the development of additional retail commercial activity would be an extension of the existing facilities or strip development along College Avenue. Retail commercial activity would not likely develop as 'grade A' operations, but rather more basic services for the population in the immediate area and those who travel from the northern communities.

Demand projections for the next 10 years are;
Housing – 4,016 units (primarily 2- and 3-bedroom units)
Commercial – 229,000 square feet
Family restaurants (3-5)
Apparel stores (2-4)
Outdoor goods and services
Personal services
Home improvement
Grocery (1)
General merchandise

- Upgrading the image and aesthetics of the North College area should improve the demand for services. The ability for the population both within and outside of the Primary Market Area to find the goods and services they seek in an attractive shopping area should have exponential benefits. More business activity itself breeds more business activity.

MAIN FINDINGS: RECOMMENDED APPROACH & ACTIONS

Following is a summary of recommendations for enhanced development and economic activity in the North College area:

- The URA should take a proactive role in the redevelopment process, with collaboration and facilitation from City of Fort Collins staff.
- A URA TIF Incentive Program should be developed that assists in the process of attracting desirable uses to the area.
- A dedicated URA staff person should be assigned to the task of redevelopment of North College Avenue.
- Standards and codes need to be reconsidered to fit the redevelopment situation.
- The Vine Drive realignment connections should be completed as soon as possible.
- The URA should move toward assembly of land for redevelopment purposes.
- Undesirable uses, such as automobile-related establishments, should relocate off of North College Avenue frontage over time, possibly into other parts of the study area designed for such uses. These uses detract from the area's values and do not add appropriate values or retail sales.
- Development of mixed-income housing should be pursued for the area.
- The URA program and City activity should be re-evaluated on a regular basis to measure success and redirect resources as required.

CHAPTER 1

INTRODUCTION

1.1 PURPOSE

The firm of PMG Associates, Inc. (PMGA) was engaged by the City of Fort Collins to determine the market demand for development activity in the North College Avenue area. In addition, the analysis provides direction for the role of the Urban Redevelopment Agency (URA) and any other actions fostering a better business climate for the area. This study area is illustrated in Exhibit 1-1 which depicts the URA Area as well as the boundaries of Fort Collins. Exhibit C is an aerial photograph of the area.

The demand analysis focuses on the area's expected growth and the disposable income levels of the population residing in the community, or traveling through the area for other purposes. This analysis of demand demonstrates the amount of housing units the area can absorb, and the amount of commercial space the population can support.

The recommendations for the role of the URA are based on the best management practices to encourage additional area development. The recommendations include policy issues as well as operational programs.

This report also includes a section on Future Plans. These recommendations include potential changes in land use, density and other regulatory measures.

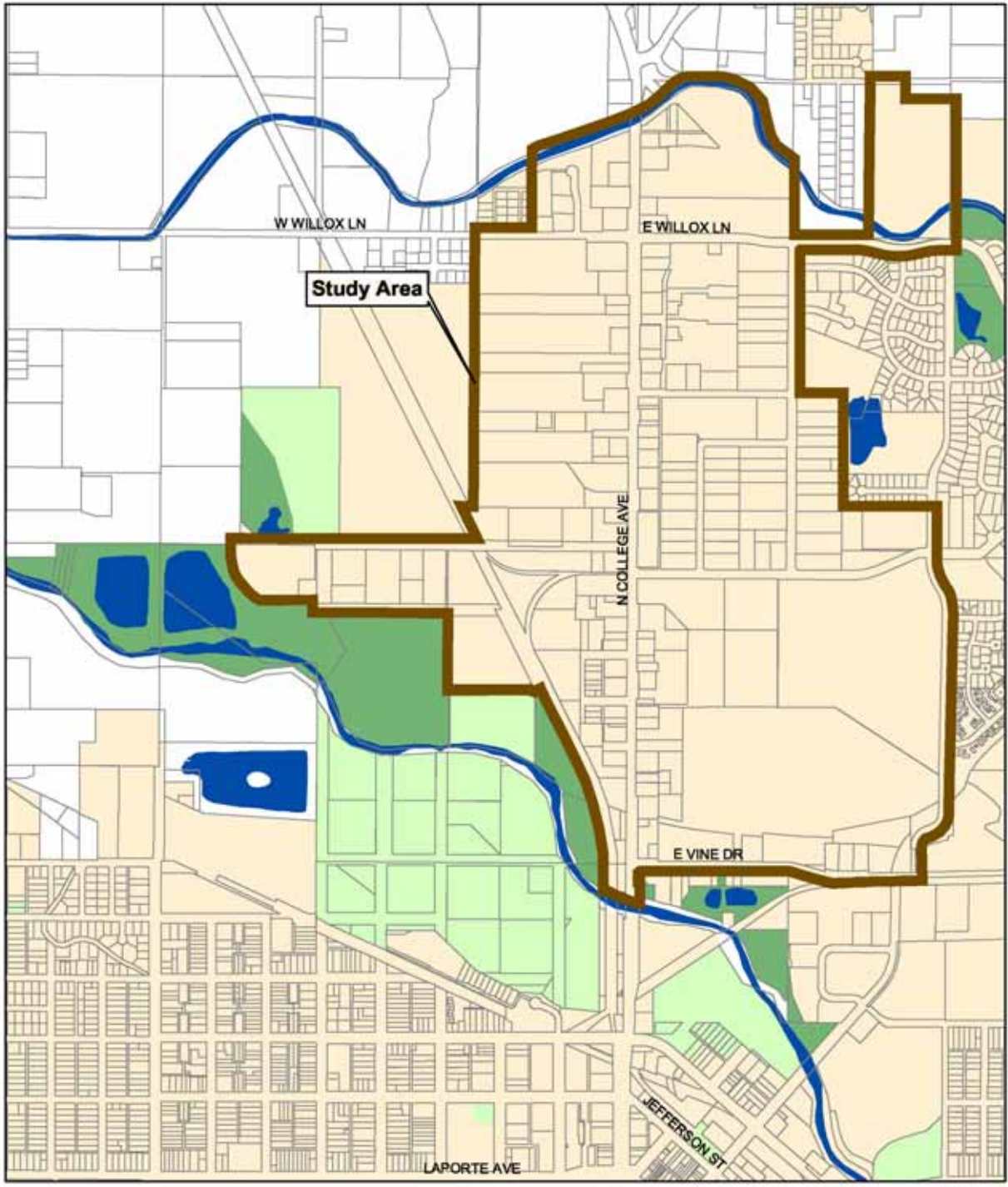
1.2 STUDY AREA

The focus of this analysis is the *North College Avenue Urban Renewal Plan* area (North College Study Area). For analysis purposes, however, three Market Areas are designated. The market areas are divided into a Primary Market Area, a Secondary Market Area and City Market Area. The market areas are designated based on the potential influence on demand for North College.

The Primary and Secondary Market Areas do not extend south of the Poudre River or Vine Drive into the Old Town area of Fort Collins. This decision is due to the separation of the existing market based on this geographic boundary. In addition, this analysis is based on the assumption that redevelopment will not be competitive to the remainder of Fort Collins. The nature of the community is such that it is not likely that significant competition is reasonable to expect.

In other words, the Primary and Secondary market areas include no demand from the area south of the river or Vine Drive. Although some demand will occur from south of the Poudre, the amount is not significant for purposes of this report.

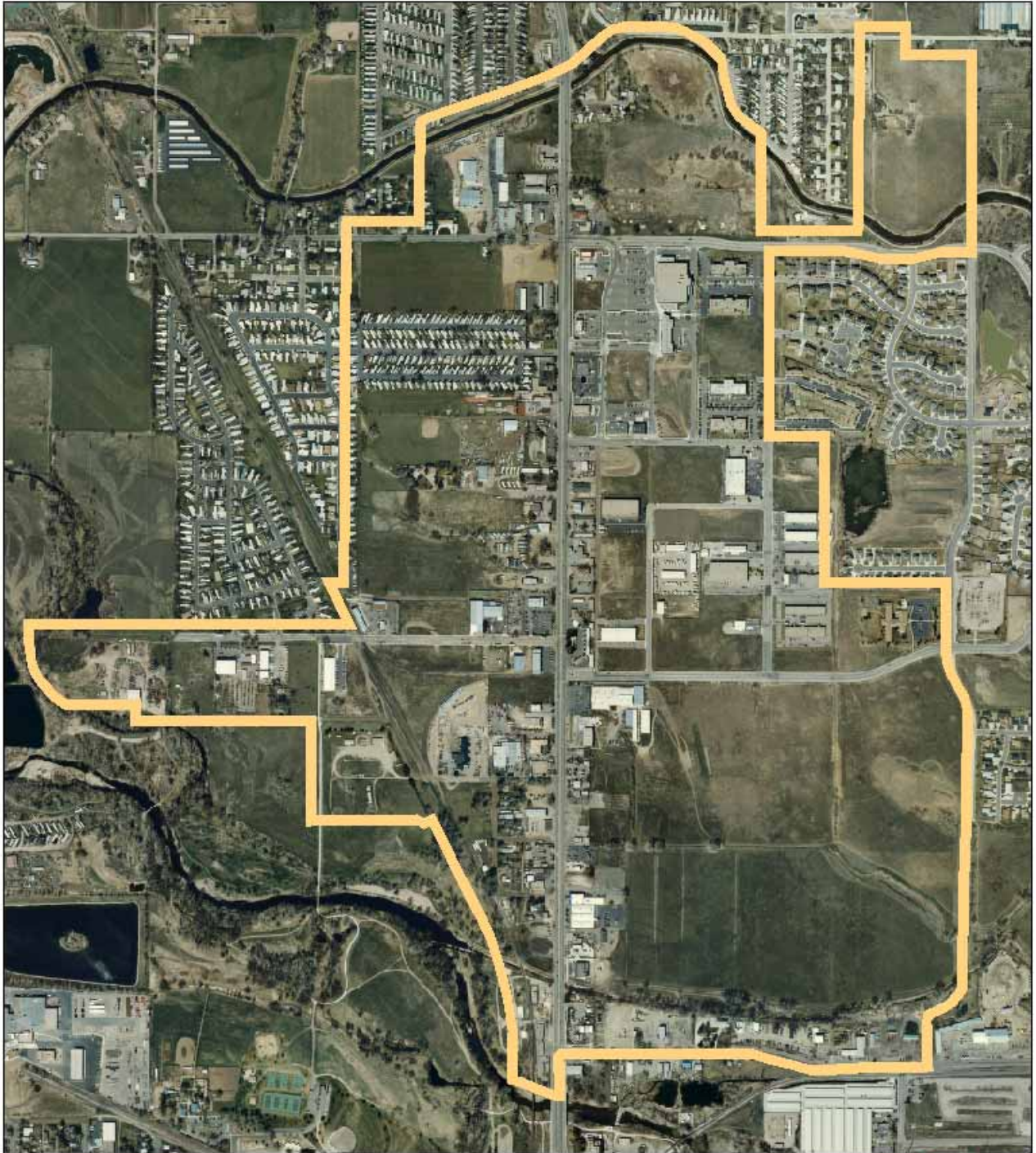
EXHIBIT B - North College Urban Renewal Plan Boundary




- City Limits
- Property Lines
- Rivers, Streams and Lakes
- Parks
- Natural Areas
- Study Area Boundary



EXHIBIT C - Aerial View of the North College Urban Renewal Plan Boundary



 Urban Renewal Plan Study Area



Source: City of Fort Collins
Advanced Planning Department
June 2004

Primary Market Area

The primary market area is limited to the portion of Northern Colorado north of Vine Drive extending to the state line with Wyoming. This Primary Market Area includes the communities of Laporte and Wellington. These areas are included due to the lack of facilities in those communities. Exhibit 1-3 includes a map of the Primary Market Area.

Secondary Market Area

Many of the business owners in the North College Avenue Area have reported that one of the elements of their clientele comes from Wyoming. Observations by the Project Team have also confirmed the existence of this market. The Secondary Market Area begins at the state line and extends north of Cheyenne and Laramie. The demand from this Market Area will be limited due to competitive businesses. Exhibit 1-4 includes a map of the Secondary Market Area.

City Market Area

The City Market Area refers to the city of Fort Collins as a whole. This will include parts of the Primary Market Area from Vine Drive north to the city limits as well as the area south of the Poudre River south to the city limits.

EXHIBIT 1-3
Primary Market Area

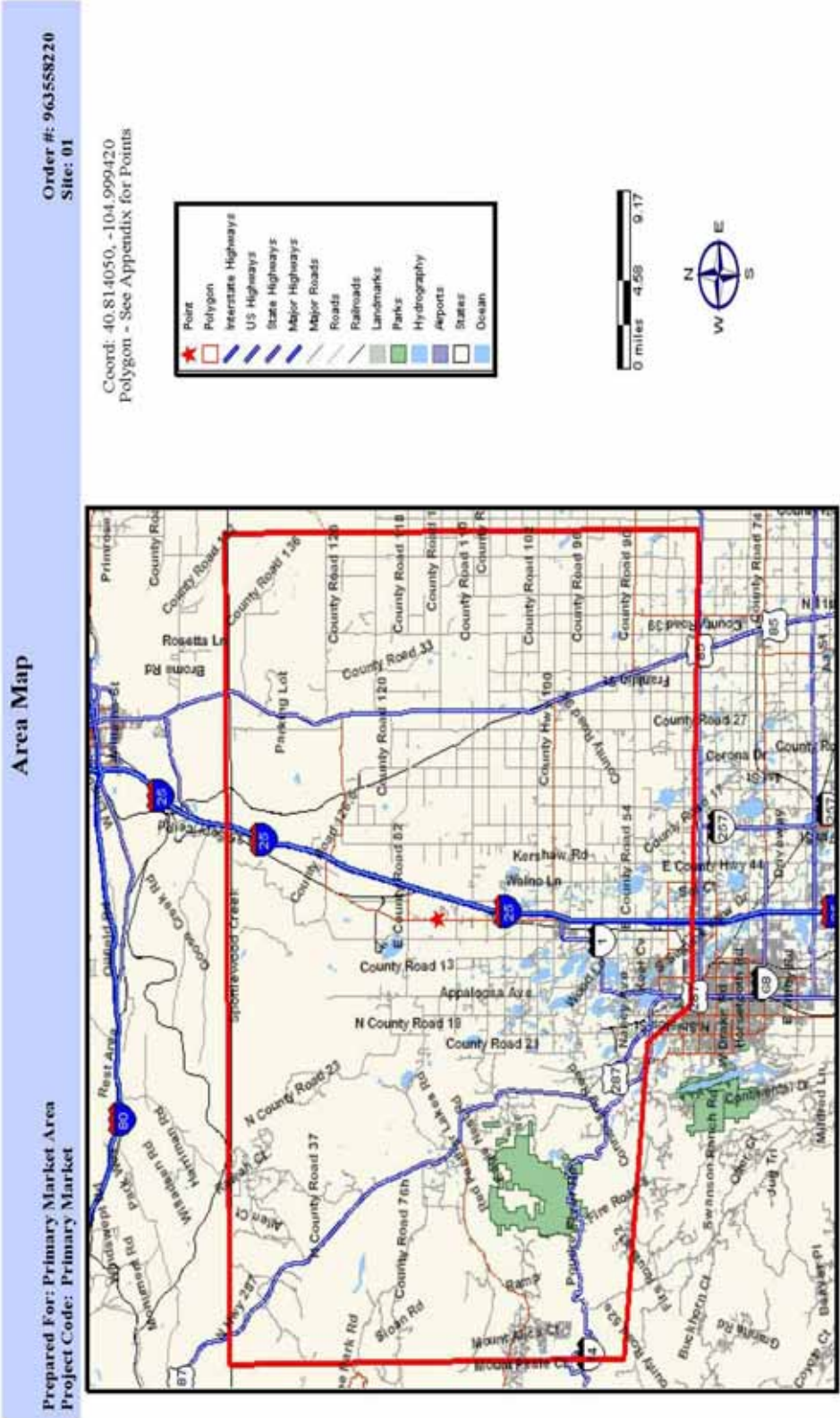
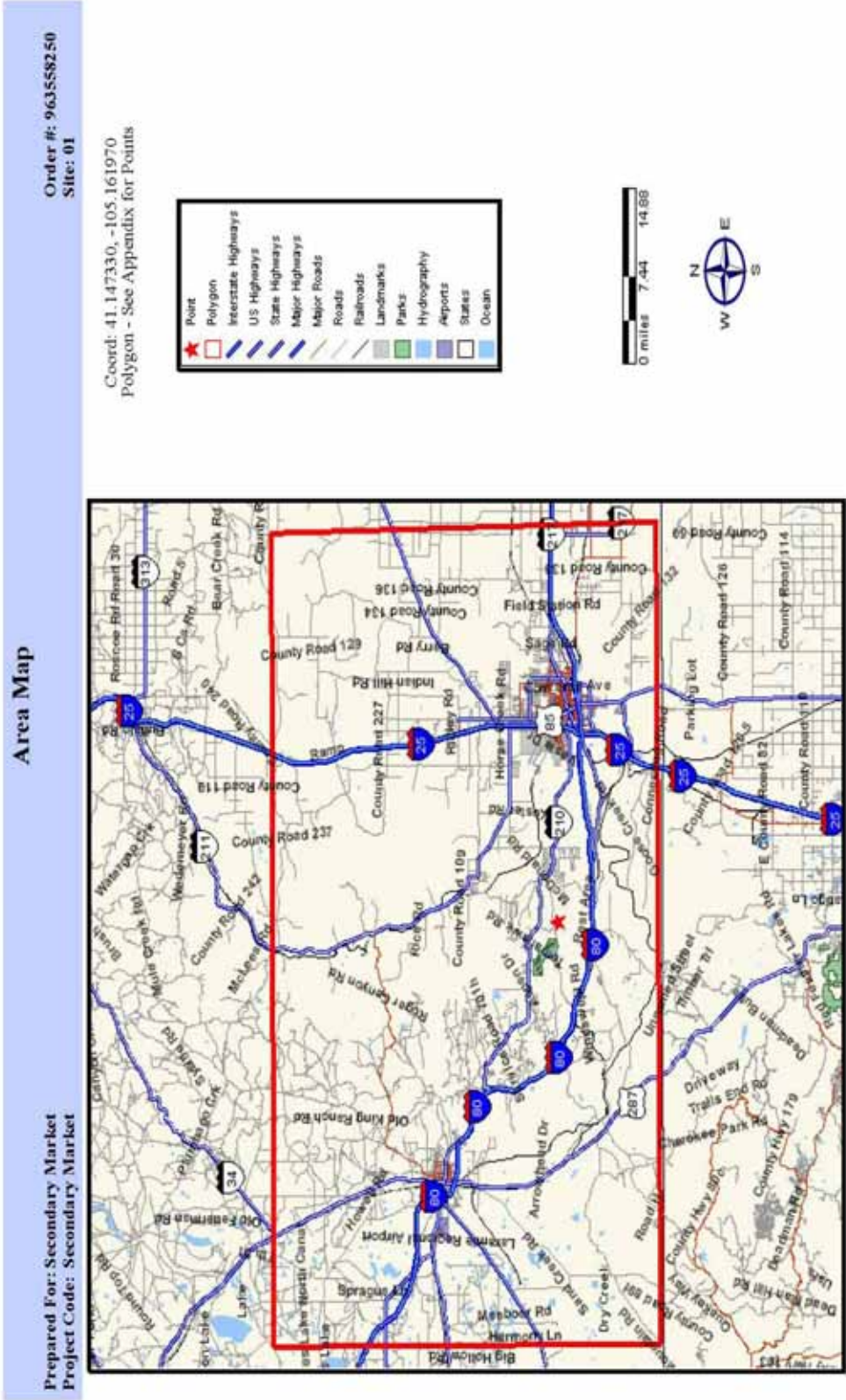


EXHIBIT 1-4
Secondary Marker Area



Prepared For: Secondary Market
Project Code: Secondary Market



CHAPTER 2

PUBLIC INPUT PROCESS

The Public Input Process of this project was a very important task in the overall evaluation and outcome of this endeavor. The input from the public took three forms: interviews with stakeholders; meetings with the general public hosted by the City; and presentations to the North Fort Collins Business Association (NFCBA).

2.1 STAKEHOLDER INTERVIEWS

A list of stakeholders to be interviewed was prepared in a cooperative effort between the City and PMG Associates, Inc. (PMGA). Interviews were conducted over two days of non-stop appointments. The desire was to select persons who were most knowledgeable regarding the business climate in the City and had an interest in the development of the area. Additionally, the list was developed so that a range of businesses and interests were represented.

Over twenty-five stakeholders were interviewed regarding topics such as the positive and negative points of the study area, how they envisioned the area in 5 to 10 years, and what they thought were the priorities in the revitalization of North College Avenue.

The results of the stakeholder interviews generated no real surprises. The concern was for a thriving business and residential district that needed repair and attention. The store vacancies, the overall “look/impression,” were of concern, but the overall outlook was positive.

Each interview consisted of over twenty questions designed to uncover key issues regarding the NCA business climate and plans for the future. The results of the interviews revealed several key issues that were later incorporated into the analysis. Categories of comments include:

- General Appearance
- Business Climate
- Facilities that are used
- Problems and issues
- Competitive Markets
- Mixed-use projects
- Residential and retail building needs
- Parking and Transportation
- Events and activities

CHAPTER 3

EXISTING CONDITIONS

This chapter contains an inventory of business activity, demographic data and spending patterns of the population. Relevant data is used in the demand analysis in later chapters.

3.1 EXISTING BUSINESSES

The existing businesses in the Primary Market Area total 1,539 establishments with a total of 15,071 employees. The distribution of the business establishments is concentrated in the Services industry with 30.6% in this category. Construction and Retail follow in significance. The total distribution of business enterprises is found in the table that follows.

A further breakdown of the establishments, along with Employment and Sales data is found in Table 3-2.

*TABLE 3-1
Business Establishments in Primary and Secondary Study Areas, and Entire City Limits*

CATEGORY	PRIMARY AREA		SECONDARY AREA		ENTIRE CITY	
	Number	Percent	Number	Percent	Number	Percent
Agricultural and Mining	102	6.6	120	2.3	157	2.5
Construction	239	15.5	400	7.7	446	7.1
Manufacturing	120	7.8	177	3.4	223	3.6
Utilities/Transportation	83	5.4	228	4.4	137	2.2
Wholesale	92	6.0	192	3.7	167	2.7
Retail	219	14.2	996	19.1	1,282	20.5
Finance/Insurance/ Real Estate	78	5.1	484	9.3	770	12.3
Services	471	30.6	2,039	39.2	2,755	44.0
Hotels	9	0.6	75	1.4	27	0.4
Public Administration	88	5.7	448	8.6	197	3.2
Non Classified	38	2.5	48	0.9	95	1.5
Total	1,539	100.0	5,207	100.0	6,256	100.0

TABLE 3-2
Retail Sales Generated – Dollars Spent By Specified Population

SIC Code	Description	Primary Area			Secondary Area			Entire City		
		Units	Jobs	Sales	Units	Jobs	Sales	Units	Jobs	Sales
	All Retail	219	2,428	\$336.7	996	13,247	\$1,675.7	1,282	19,244	\$2,264.6
52	Building Materials/Garden Supply/Mobile Homes	34	502	\$82.8	78	1,085	\$158.5	73	1,134	\$184.2
53	General Merchandise	1	6	\$0.7	22	1,946	\$223.8	19	1,911	\$223.3
54	Food Stores*	19	544	\$88.1	76	930	\$146.0	100	1,977	\$306.6
55	Automobile Dealers, Gas Service Stations	31	275	\$64.4	142	2,387	\$656.0	95	1,764	\$583.2
56	Apparel , Accessories	10	43	\$2.5	61	286	\$21.1	88	645	\$44.3
57	Home Furniture, Furnishings and Equipment	29	281	\$49.0	87	518	\$95.0	179	1,533	\$293.7
58	Eating, Drinking	37	564	\$27.9	213	4,594	\$225.0	333	7,261	\$343.8
59	Miscellaneous Retail	58	213	\$21.3	317	1,501	\$150.3	395	3,019	\$285.5

**Includes several establishments that are not traditional grocery stores. Removing these businesses reduces the Sales to \$64.1*

Data of Retail Sales activity from within the North College URA boundaries shows a decline over the past several years. This decline corresponds with the opening of the Wal-Mart. In addition, the decline has continued on an annual basis. This data corresponds to the North College Study Area only.

This reduction illustrates the necessity of providing a concentrated program to improve the business potential of the URA area.

TABLE 3-3

Taxable Retail Sales – North College URA Area Source: City of Fort Collins

TIME PERIOD	NET TAXABLE	GROCERY TAXABLE	TOTAL
2001	\$34,908,685	\$16,836,908	\$51,745,593
2002	\$35,080,622	\$14,617,452	\$49,698,074
2003	\$33,683,438	\$13,849,927	\$47,533,365
2004	\$33,059,392	\$13,260,825	\$46,320,217
December 2003	\$ 2,619,376	\$ 1,085,030	\$ 3,704,406
December 2004	\$ 2,597,817	\$ 1,022,773	\$ 3,620,590

3.2 RETAIL SALES CAPACITY

The measurement of Retail Sales activity for economic development purposes focuses on two aspects of the data: How much is spent by the resident population of Primary Market Area? and How much is spent within the Primary Market Area? The first question measures the retail spending activity of the people who live within the study area, regardless of where the spending occurs. The second question identifies the amount of retail activity within the Primary Market Area, regardless of where the customers live.

Spending by Residents

Data for this analysis was obtained from Claritas, a nationally recognized market data firm. This data reveals that the total retail spending by the residents in the Primary Market Area is nearly \$409 million annually.

TABLE 3-4 Spending By Residents, Primary Market Area, 2004

Source: Claritas

Description	Primary Area	Secondary Area	Entire City
Total Retail Sales	\$408,942,654	\$1,602,140,864	\$1,790,412,494
Apparel and Accessory Stores	\$ 12,204,114	\$ 39,249,743	\$ 55,606,626
Automotive Dealers	\$ 98,981,072	\$ 369,524,941	\$ 421,348,636
Automotive And Home Supply Stores	\$ 4,393,351	\$ 23,249,016	\$ 19,213,664
Drug and Proprietary Stores	\$ 9,937,441	\$ 27,908,861	\$ 43,978,395
Eating and Drinking Places	\$ 40,021,278	\$ 165,533,949	\$ 177,133,806
Food Stores	\$ 55,196,776	\$ 178,750,678	\$ 236,953,997
Furniture and Home Furnishing Stores	\$ 11,272,399	\$ 29,673,717	\$ 50,584,403
Home Appliance, Radio and T.V. Stores	\$ 9,785,854	\$ 20,618,594	\$ 43,434,374
Gasoline Services Stations	\$ 26,982,675	\$ 238,622,548	\$ 114,814,362
General Merchandise	\$ 72,164,139	\$ 228,132,880	\$ 323,148,722
Hardware, Lumber and Garden Stores	\$ 36,217,280	\$ 59,894,518	\$ 165,008,953
Miscellaneous	\$ 31,786,275	\$ 220,981,419	

Further analysis of spending characteristics of the population occurs through examination of the detailed analysis of the Consumer Spending Patterns. This information, known as psychographics, relates how the population spends their Disposable Income. This data is useful in determining the best approach to addressing the needs of the population and providing the business development that they require. Data collected includes the total aggregate spending by category, Average amount per household and the Market Index. The Market Index relates spending compared to all other households in the United States. An index of 100 indicates that the target population is average with respect to the national average. The concentration of retail spending is as follows:

TABLE 3-5 Consumer Spending By Category – Primary Market Area

Source: Claritas

CATEGORY	AGGREGATE SPENDING (\$000'S)	AVERAGE PER HOUSEHOLD	MARKET INDEX
Transportation Expenses	98,924	8,462	125
Entertainment	65,884	5,635	114
Food at Home	64,266	5,494	105
Food Away from Home	54,388	4,652	102
Apparel	48,957	4,188	105
Health Care	37,967	3,248	92
Personal Items	36,219	3,098	101
Appliances	19,649	1,680	118
Household Repairs	16,177	1,562	121
Furniture	10,328	883	114

TABLE 3-6 Consumer Spending By Category – Secondary Market Area

Source: Claritas

CATEGORY	AGGREGATE SPENDING (\$000'S)	AVERAGE PER HOUSEHOLD	MARKET INDEX
Transportation Expenses	296,076	6,776	100
Entertainment	192,701	4,408	90
Food at Home	212,606	4,866	93
Food Away from Home	169,835	3,887	85
Apparel	142,020	3,250	81
Health Care	117,315	2,685	76
Personal Items	113,709	2,602	86
Appliances	56,295	1,288	91
Household Repairs	43,708	1,393	88
Furniture	27,323	625	81

TABLE 3-7 Consumer Spending By Category – Entire City

Source: Claritas

CATEGORY	AGGREGATE SPENDING (\$000'S)	AVERAGE PER HOUSEHOLD	MARKET INDEX
Transportation Expenses	368,528	9,463	111
Entertainment	267,443	5,454	110
Food at Home	248,133	5,061	97
Food Away from Home	222,780	4,543	100
Apparel	202,253	4,125	103
Health Care	131,860	2,689	76
Personal Items	137,472	2,804	91
Appliances	72,733	1,483	107
Household Repairs	53,805	1,097	99
Furniture	38,387	783	105

A comparison of the various data sets reveals some important conclusions.

- Most of the consumer spending is higher than national averages in the Primary and City Market Areas and lower than the national averages in the Secondary Market Area.
- Transportation Expenses which includes purchase of vehicles, service and accessories is significantly higher than the national average in both the Primary and City Areas.
- The populations in both the Primary and City Market Areas spend nearly as much on food eaten away from home (restaurants) as at home (from groceries). Entertainment spending is also very high. These household averages in the Primary Area are higher than the national averages.
- The total spent on Groceries by the population in the Primary Market Area equals the amount spent in the establishments located in that area, even though Wal-Mart has drawn a reduction of Grocery Sales in the North College Study Area of \$3.6 million annually. (The Primary Market Area does not include the Wal-Mart, which has proven to be a significant attractor.) There is probably an additional shift of sales to Wal-Mart from other portions of the Primary Market Area as well. A reasonable assumption for purposes of discussion, based on population, is 0.9 million. Therefore the total “loss” of Grocery industry sales to Wal-Mart is approximately \$4.5 million. Since the sales in the area and the dollars spent by residents are equal, the Primary Market Area must therefore be attracting spending of approximately \$4.5 million from the Secondary Market Area and other outside areas.
- The population of the Primary Market Area spends \$54.4 million annually on Food Away from Home. The spending at Eating and Drinking establishments in the Primary Market Area is \$27.9 million annually. The establishments within the Primary Market Area likely attract customers from outside this geographic designation. It is not possible to measure the total amount of Sales at restaurants from outside the Primary Market Area. It is possible to make a general estimate based on a survey of workers in the Primary Market Area. This survey reveals that a total of \$250.65 per employee is spent in the area. Multiplying this figure by the total number of applicable employees generates a total spending of \$3.2 million by workers in the

area. Based on these figures, there is a net “loss” from the Primary Market Area of \$29.7 million in this category.

- The population of the Primary Market Area spends \$49.0 million annually on Apparel purchases. The spending for Apparel in the Primary Market Area is \$2.5 million annually. This data reveals that there is a net “loss” from the Primary Market Area of \$46.5 million in this category. Those people living in the Primary Market Area make nearly 95% of their apparel expenditures outside of the study area.
- The population within the Primary Market Area spends an average of \$1,562 per household on repairs annually, which generates a Market Index of 121, substantially higher than the national average.
- The population within the Primary Market Area spends a very high percentage of the household dollars on Used Automobiles (Market Index of 147) and Boats and Supplies (Market Index of 180).

3.3 DEMOGRAPHICS

A review of the demographic data for the Primary and City Market Areas reveals that the populations provide significant spending capability. Although the area does not have a large population, the Average Household Income levels are sufficient to support retail activity. When combined with the city population and the higher Average Household Income levels the support for retail activity is even greater. In addition, the Median Value of the housing is reasonably high.

TABLE 3-7 Selected Demographics Characteristics

Source: Claritas

Description	Primary Area	Secondary Area	Entire City
Population (2004 Est.)	30,748	109,350	126,473
Households (2004 Est.)	11,691	43,693	49,033
Household Size	2.62	2.63	2.45
Average Household Income	\$69,135	\$51,491	\$65,414
Median Age	36.76	33.60	29.64
Attended College	24.13%	24.86%	77.91%
Employed Over 16 Years of Age	69.16%	59.73%	68.58%
Average Commute	26.07 Minutes	16.69 Minutes	20.54 Minutes
Owner Occupied Units	78.21%	63.72%	59.84%
Median Value Housing	\$184,933	\$132,196	\$201,933
Median Year Structure Built	1978	1971	1982
Average Length of Residence	12	12	9

CHAPTER 4

STRENGTHS AND WEAKNESSES

A thorough review of the North College Study Area was undertaken as part of this report and when combined with information gathered through interviews and site visits, a well defined list of strengths and weaknesses of the area became apparent.

4.1 STRENGTHS

Strengths bolster the area or provide obvious potential to enhance the area and its economy. These are items which the Urban Redevelopment Agency (URA) should expand upon and utilize in touting the benefits of developing or locating in the area. Strengths of a market need protection from forces that weaken them and expose vulnerabilities.

Vacant Land

As the major corridors of Fort Collins have been built-out, vacant land near the heart of the City has become scarce. The North College Avenue Area still contains several sizeable vacant parcels. From an economic viewpoint, the denser a commercial community, the more business it can potentially attract. Additionally, from the City position, a denser district should be more cost efficient to serve as infrastructure already exists.

Under-Utilized Land

Land with a small building on a large lot or that which has capacity for and is appropriate for additional stories but contains only a single story building, can be characterized to be in this category. Under-utilized land has great redevelopment potential.

Inexpensive Land

Compared to the remainder of Fort Collins, the vacant and under-utilized land is less expensive in the study area than elsewhere in the City. Unfortunately, part of the lower land cost is the result of additional obstacles to develop the land. If the URA works to help with development costs through grant programs, incentives and the undertaking of infrastructure-related projects that are extraordinarily difficult for developers, it would reduce development cost and encourage development on vacant and under-utilized parcels.

Market that extends to Wyoming

The overall size of the marketplace that would shop in the North College Avenue area is of significant size extending northward into Wyoming. This means that many shoppers will not do casual shopping but will spend significant sums in a single visit. The large market also provides for the most possible households to spend their dollars in the area, as outlined in Chapter 3.

Rural Residential & Country Club Income

Many of the people interviewed for this report commented about the high incomes of the residents of these areas. It was felt spending by these residents could be captured by the North College Avenue area if the appropriate goods and services were available.

Missing or Low Concentration of Many Business Categories

There are clearly business types that are not located in the Study Area that those interviewed feel would be beneficial to the area. Review of market data supported this premise showing a leakage of spending to locations outside the area for such items as a family restaurant and apparel stores to name a few. This means that there is a market and thus opportunity for several different types of new businesses to locate in the area.

Dry Creek Flood Control Project

The completion of this project will significantly alter the floodplain in the North College Avenue area and will enable development without the significant costs associated with flood prevention (raising base floor height). The project will also significantly lower the cost of flood insurance for existing projects thus the cost of doing business in the area is also reduced.

The Poudre River

Many cities have utilized their riverfront areas for public space and trails that attract people and create an economic boon to the surrounding areas. The river can be an excellent amenity to an area while still maintaining its environmental integrity and beauty.

Organized and Growing Business Group

The North Fort Collins Business Association is a growing organization representing many of the businesses in the North College Avenue area. The group has regular meetings and has opened a clear, open-minded dialogue with the City. Interviews with the group members have shown that most clearly understand the forces working in the area and are preparing for change. This group has already proven to be an excellent source to disseminate information about renewal efforts.

Old Town North Project at North College Avenue and Vine Drive

This residential project will bring additional residents and energy to the area and promises to be an excellent example that new housing will work north of the river.

One of the Last Opportunities On the Way to the Poudre River Canyon

People looking to recreate or visit the canyon will stop to purchase items for their excursion in the North College Avenue area. This is actually one of the few reasons current residents living south of the river travel through the North College Avenue area.

Existing Rail Lines

The existing rail line through the North College Avenue area is appropriate for the industrial opportunities existing in this part of the city. It can be an excellent economic development tool if utilized in appropriate marketing to attract new industry and jobs.

Strength of Existing Industrial Users

The current industrial base in the area appears fairly stable and creates jobs. The light industrial on the east side of the area includes a significant amount of professional and technical jobs and should be encouraged. The west side of the area includes more manufacturing-type heavy industrial and are also providing significant employment.

Creation of Urban Renewal Authority

The activation of the North College Avenue project area will provide focus and funding for the wide variety of projects and programs that will need to be undertaken in order to enhance and update the area. The URA also has the opportunity to become the catalyst for the areas revival if utilized appropriately and focus remains on the key projects and programs.

Significant Planning Efforts to Date

Several planning studies have been undertaken for the area already. While some updating is needed, and will be necessary from time-to-time, the City and URA have the necessary planning completed and are prepared for the implementation stage of revitalization.

4.2 WEAKNESSES

Weaknesses are those items that inhibit the area's growth, livability and economy and are a disincentive to investment as they can create uncertainty or additional cost to overcome. Weaknesses can be turned into opportunities that can become a source of increased benefits to the community.

Vulnerability of Market

The market area for North College Avenue current extends into Wyoming. While the size of the area is its strength, if anything is developed between the area and the state line, the market area will shrink which, in the short-run, will reduce potential spending in the Study Area.

Negative Perception of the Area

It is clear that residents living south of the river (and to some extent, those living north of it as well) feel they have no reason to patronize the businesses in the North College Avenue area. It is their belief that there is nothing there that they would need and that better opportunities exist elsewhere in the City. The perception of the area is that it has little to offer, has crime issues and is not the place to go.

Street Design

Most obvious on North College Avenue is the lack of sidewalks, curbs, curb cuts to direct traffic to specific entry points on each property, or any separation of traffic (i.e. medians). The roadway is in dire need of updating, access management, aesthetic improvements and pedestrian and bicycle amenities.

This discussion of the pedestrian and bicycle amenities is provided to address some of the overall image issues related to North College Avenue. The pedestrian and bicycle population is not a real factor in the demand for commercial activity. Increased foot traffic will serve to promote the attractiveness of the area, which does benefit the overall commercial demand.

Street Layout

The area has poor connections throughout the area, few connectors that provide access across the river and no direct access to I-25 corridor. This isolates the area and various properties and inhibits good movement of traffic that would encourage potential business patrons to drive into the area.

Poor Architectural Cohesion and Design

The buildings in the area were constructed at various times and without any design standards. Additionally, many of the buildings were constructed with low rooflines and minimal building mass and/or size and with the most inexpensive building technology of their time. This has led to an area of buildings with low architectural value and appeal, and limited uses to the point of obsolescence in many cases.

Land Division

The lots of the area significantly vary in size and depth. Many of the lots in the area are under-sized by current development standards, a situation which is exacerbated by the diversity of ownership of these lots. The smaller lots may require assemblage in order to reach their full redevelopment potential. In stark contrast, there are a number of lots on the west side of North College Avenue that are narrow and deep with minimal access to the rear portions. These lots may require division and roadway access to reach their potential.

Current City ROW Requirements

The City currently requires the dedication of right-of-way or easements to implement their roadway and utilities plans in order to receive development approvals. While these projects are necessary for the redevelopment of the area, they constitute additional costs and burdens on the properties and inhibit development.

Lack of Landscaping

Landscaping of the area is generally limited to the newer developments in the area. Landscaping within the right-of-way (future swales and medians), property perimeters and in parking lots is needed to eliminate the starkness of the area and add an inviting appearance.

Overabundance of Low End Uses

There is a high concentration of land uses that can have a detrimental affect on the area. Many of these types of businesses are notorious for outdoor storage or the use of “tacky and gaudy” attention getting devices and low quality buildings. The overabundance of a single type of use (i.e. automobile related uses) can take over an area and crowd out other uses thus providing a limited economy.

Lack of Retail Mass

While there is a fair amount of retail along the corridor, the area lacks the retail “critical mass” that will attract shoppers and create healthy competition. People will often shop in those areas that are most convenient. If an individual has several tasks to accomplish (i.e. get a haircut, food shop, buy repair items for the home, etc.) they will shop in an area where they can accomplish the largest number of these tasks. The North College Avenue area does not provide the variety and number of retail establishments to attract this user or provide for price competition.

“Dead Zone” Between Cherry/Willow Streets and Vine Drive

The zone on North College Avenue between these streets provides no activity or interest to someone traversing this area thus, pedestrian and bicyclists do not cross from downtown into the North College Avenue area creating a “dead zone.”

A history of industrial and other uses that turn their backs to the river, combined with the current desire to keep the river “wild” through what has become an urban environment, effectively severs North College from downtown and the rest of the City. The river represents a barrier that people do not approach and cross, instead of being an amenity that can be enjoyed with buildings, windows, balconies, walkways etc. fronting along the river corridor.

Overabundance of Older and Dilapidated Trailers and Mobile Homes

Trailers and old mobile homes have created unattractive pockets of ad hoc development. Additionally, they are an economically inefficient use of land for housing, as the older and poorly maintained trailers pose safety and compatibility issues for those who live in and around them. From a market perspective, the well-kept mobile homes in the mobile home park are not necessarily unattractive. Nevertheless, they are not preferable to permanent housing. Long term benefits would be realized by moving these units to permanent housing through the action of the market. More permanent structures would provide a safer and more attractive environment, and in the long term provide more stability to the provision of affordable housing. In general, property ownership should be encouraged as it generates a more stable population and demand. (Specific action to replace the mobile home park is not a recommendation of this analysis. There are more important tasks.)

Lack of “Destination” Uses

These types of uses are those that attract people to an area or property. Movie theaters, restaurants, and certain large retailers provide this type of energy that attracts people from outside the area. Temporary events such as shows, fairs, and other exhibits can also act as short-term destination uses. While visiting the destination use, people become aware of surrounding businesses which they will visit and spend money at during the initial visit or at some point in the future when they are in need of a particular service or product.

Many Chain Stores/Restaurants Already Exist in the City

While the residents and business people of the area have expressed that they would like the area to remain small business friendly and an incubator for local business, a limited number of compatible regional and national chain operations would attract additional patrons to the area and thus would assist in the promotion and well-being of the homegrown small businesses. However, a large number of such regional and national operations already have locations within the City. Often these businesses will not locate within a certain distance of an existing store fearing that they would be “cannibalizing” their own stores.

Lack of Positive Identity/Common Marketing

The North College Avenue Area lacks the positive appeal that attracts people to the area. Even newer developments are somewhat nondescript. Without common marketing and an area theme or image potential customers have little knowledge of the retail and service opportunities in the area and are inclined to do business elsewhere.

CHAPTER 5

MARKET DEMAND

Market demand for housing and commercial activity in the North College Study Area is based on the growth that is likely to occur naturally, and any improvements to the area that may also increase the market interest. Demand is measured in housing units and square footage of commercial space.

Although data has been collected for both the Primary Market Area and the Secondary Market Area, the focus of this analysis will be demand from the Primary Market Area. The commercial demand that is generated from the Secondary Market Area is based, to a significant degree, from lack of facilities. People travel to Fort Collins to shop for goods not readily available. It is reasonable to assume that, over time, this market will be further reduced due to increased competition. It is therefore, not realistic to rely on this demand for the long-term.

The Primary Market Area includes the Mountain Vista Subarea Plan area in northeast Fort Collins. That Plan envisions major development. The demand for housing, described in the following section, is based on general trends which do not account for the influx of a major new expansion area such as Mountain Vista. Therefore, the projections for housing do not include housing that could occur if the major obstacles are overcome in that area.

For the commercial aspects of development, the Mountain Vista area will be reasonably self-sustaining for the basic needs of its future population. The commercial land uses in the project will be directed toward serving the population in the area, and employment development is also anticipated. Therefore, projections of commercial activity are assumed not to be impacted by Mountain Vista area development one way or the other during the study time frame of ten years.

It is possible that the Mountain Vista development may generate additional demand for North College businesses, but it would be in addition to the demand discussed here and the impact is not expected to be significant.

5.1 HOUSING

The number of dwelling units in the Primary Market Area currently totals 11,691. These units are primarily owner-occupied and carry a median market value of over \$184,000. The housing stock includes a range of market types ranging from high end units near the Country Club, moderate priced single family units and trailers. The average age of the units is 27 years.

Demand Analysis

Several sources were considered when identifying demand for housing. The data source used throughout most of this report is Claritas, a nationally known provider of market related data. In addition, projection of population growth has been performed in other studies including transportation analyses and other planning documents. All available sources were examined to obtain a picture of the potential growth.

Claritas

Projections of growth in the Primary Market Area average approximately 2% annually for the next several years. The strength of demand is expected to increase over time as the remainder of Fort Collins becomes built-out.

Projections for the remainder of the City of Fort Collins generate an expected increase of 3% to 4% annually for the next four years. These figures underscore the assumption that the North College Study Area will trail development in the rest of the City for the next few years. After that time frame, however, it is realistic to estimate that the relative demand for North College Study Area will increase.

Transportation Studies

Projections of population growth have been performed for transportation planning services in several documents. The expected rate of growth for the North College Study Area is estimated to exceed 4% annually.

Special Development Initiatives

The projections identified earlier are based on incremental continuation of growth patterns in the general area. They do not account for any changes in policy or special new development initiatives. They reflect the conditions that can be expected if no significant action is taken to capture the demand. A change of direction, such as the provision of a new, more urban, mixed income housing project, will prove to capture demand for housing in the study area ahead of these projections.

Affordable Housing

Questions have arisen regarding the demand for Affordable Housing and its location in the study area. In simple terms there is always a demand for lower cost, or affordable, housing. Any such housing constructed in the Fort Collins area will be absorbed since many people will look for lower priced housing, if available. The question for this analysis should then be, "Should a concentration of Affordable Housing" be located in the North College Avenue Area?

The desire of the community is to redevelop North College Avenue into a thriving economic generator. Placing a concentration of lower value uses in the area will subvert this goal. Development of a mixed income housing project will provide both lower and moderate cost housing without deflating the values of the entire area.

University Housing

Reports published by Colorado State University Housing address the need to provide an improved student housing inventory both in quantity and quality. A redevelopment of some of the current housing is planned with a replacement of older units. The plan also contains a projection for the addition of housing for another 2,700 students in the area. Based on current household sizes, it is estimated that this demand would generate a demand for another 900 student housing units.

It is not anticipated that the student housing will be developed in the North College Avenue area. Rather, this demand by students will likely cause a shift in the market moving some of the non-student housing from near the University. Due to land costs and relative proximity to the core of the city, the North College Study Area could be a good location for some of these replacement units.

Demand Calculations

The demand for new housing units, based on incremental growth, in the Primary Market Area is assumed to be 2% annually for the next three years, increasing to 3.5% over the remainder of the next ten years. This estimate generates a demand of 3,566 dwelling units in that time frame. Demand for persons displaced by increasing student demand is included based on an assumption of 450, or half of the 900 new units assumed to be demanded. It is assumed that the persons displaced would want to stay as near as possible to the older location. An improved North College seems to be one of the few choices. These units will be required in the next few years. The total demand for the Primary Market Area is thus 4,016 over the next ten years.

Not all of these units will be provided in the North College Study Area as development pressure would likely occur in locations outside of the boundaries. Further development of neighborhoods to the north and east of the district could occur, and development in the LaPorte area as well as Wellington could absorb a portion of these units.

These estimates note that, if housing product were provided, the Primary Market Area could support the demand for the approximately 4,000 dwelling units. Most of these units will be either 2 bedroom or 3 bedroom dwellings. There may be a small amount of 4 bedroom units as well as 1 bedroom and studio apartments. The mix of single- and multi-family units will depend on location. Within the Study Area, new housing on the west side of College will be multi-family, and additional new housing on the east side may continue to include single family and other ownership housing.

Commercial Demand

Although the new housing will not exist exclusively in the North College area, this fact should not have a negative impact on the commercial activity. Residential areas outside of the Study Area already use North College for shopping purposes as it is the closest shopping area. In addition, the concentration of new units will funnel more traffic and activity into the North College area. The result is much of this new demand will remain in the North College area.

Specific Business Demand

The demand for commercial activity is based on the needs of the population in the PMA and the competition provided from other destinations. Based on psychographic information, several types of additional new businesses would be most beneficial for the North College Avenue and would be supportable by the population. These business types are:

- Family Restaurants (3-5)
- Apparel Stores (2-4)
- Outdoor Goods and Services
- Personal Services
- Home Improvement
- Grocery (1)
- General Merchandise

Several types of businesses should NOT be considered for expansion directly on the North College Avenue corridor. These uses can be provided in the industrial areas that exist off of North College Avenue. This recommendation does not consider the elimination of any of the existing businesses of this nature. However, approval of new uses should be restricted in location. The list of restricted uses includes:

- Auto Related Sales and Services (including Boats, Trailers etc.)
- Open/Outdoor Storage

Retail Demand

The demand for retail uses in the Primary Market Area is based on an analysis of the retail dollars spent by the population and the retail business conducted in the Primary Market Area. It is well documented that some “leakage” of retail sales occurs. The population of the Primary Market Area does most of the shopping in businesses located outside of the Market Area. However, it is also known that people come into the Primary Market Area for retail purposes. Clientele from Wyoming frequent the businesses in the district. There are also a few destination businesses that attract clientele from areas both north and south of the study area.

To estimate the net retail sales, data from Claritas was reviewed to determine the activity of the target population. For this analysis, the ratio of retail sales in the Primary Market Area is found by dividing the dollars spent in the study area by the total funds available. The leakage outside the Primary Market Area is measured as a “net amount”.

Since the retail considerations for the area are for general spending, hard goods are subtracted. Items such as new cars, appliances, furniture and other products that usually have specialty stores were extracted from both the retail demand numbers and the retail sales numbers. The result is that the population of the Primary Market Area spends a total of \$288.9 million annually on retail items.

Retail Sales within the Primary Market Area for the same categories total \$199.3 million annually. This figure must be reduced by the estimatable spending from population outside of the Market Area. One portion of this estimate is spending by employees who work in the Market Area, but live outside. Based on a survey of workers in the area, the estimate of the spending from this group is \$30 million.

The other significant spending from those outside of the Market Area are those who patronize the “attractor” businesses such as Jax. The estimate from this group is \$17.5 million annually. Therefore, the spending from the population of the Market Area can be no more than \$151.8 million. These figures indicate that there is a “net leakage” of \$137.1 million from the Primary Market Area each year. Based on these numbers, the businesses in the Primary Market Area capture 47.5% of the general Retail Sales of the target population.

The next step in the calculation is to determine the amount of retail spending per household. Data from Table 3-5 was used to make this estimate. Since the estimate is only for general retail items, large expenditures for hard goods were eliminated. Again, spending for Furniture, Appliances and Vehicles was extracted from the total. To account for Gasoline Purchases, only 25% of the Transportation Expenses were included in the household total. The result was a total average household Retail Sales total of \$29,993.

Converting the amount of Retail Sales into square footage occurs by dividing the total sales figure by an appropriate amount of sales per square foot. Figures from shopping center guides and other documents reveal that a figure of \$250 per square foot is a realistic estimate of the amount of space required to serve the retail activity.

The estimate of the amount of retail space required to meet the demand of the Primary market Area is 229,000 square feet, or approximately 26 acres.

**TABLE 5-1
CALCULATION OF RETAIL SPACE DEMAND**

Units	Household Spending	Total Spending	Captured Spending @47.5%	Square Footage @\$250/Sq.Ft.
4,019	\$29,993	\$120,541,867	\$57,257,387	229,010

5.2 OFFICE AND INDUSTRIAL DEMAND

The area is conducive to such uses if located properly. However, there is no real measure of the amount of space that will be demanded by office and industrial uses. Offices have been successful in the area to the east of North College Avenue. Light Industrial has also been developed in the eastern portion of the district forming a small de facto business park with engineering and other scientific uses. Heavier industrial uses have traditionally occurred in the southwestern portion of the district. The location of these uses has been generated because of rail access.

Infill uses of similar nature should continue to develop along these lines to increase the work force in the area.

CHAPTER 6

FUTURE PLANS

PMG Associates, Inc. review of existing information, market analysis and various interviews have indicated projects and programs that should be a part of the future plans for the Urban Renewal Authority (URA) to undertake over the course of its lifetime. These projects will significantly impact the economy and/or aesthetics of the North College Avenue Area. Additionally, the undertaking of these programs and projects will lead to a sustainable district that will include enhanced livability for residents, a more vibrant, diversified and stable economy, and an area that will be a source of civic pride for all of the members of the Fort Collins community.

The projects and programs are listed below with a brief overview and description of the effects of undertaking of the project/program upon the Study Area.

6.1 TRANSPORTATION RELATED PROJECTS

The following projects are currently in existing plans of the City, Metropolitan Planning Organization (MPO) or Colorado department of Transportation (CDOT).

Rebuilding of North College Avenue

The roadway has been devoid of investment for a significant period of time. It needs rebuilding to include curbs, gutters, drainage, sidewalks, bike lanes, parking lot driveways, landscaped medians, and clear turn lanes and bus pullouts. Additionally, utilities should be placed underground to the greatest extent possible and parking lots on the private properties should be connected to alleviate the need to enter the highway to travel to a neighboring business. The undertaking of this project will significantly alter the landscape of the area and provide for more efficient movement of vehicles, pedestrians and bicyclists to and through the area. This project will also signal significant public investment in the area that will encourage further private investment. The private sector is attracted to long term public enhancements whereas they are less inclined to invest in an area where public space is in disarray or shows signs of neglect.

Vine Drive Realignment

This proposed project would provide additional lanes for traffic and replace the somewhat residential and non-descript character of the existing Vine Drive as it enters the North College Study Area. The newly enhanced roadway will then provide an efficient, direct and appropriate route for vehicles to travel to and from points east. The new configuration and traffic patterns will provide additional access to the North College Study Area and should result in additional traffic and customers to the area.

North Mason Street Extension

This project is more than just a transportation project. In fact the transportation enhancement actually takes a secondary place to the need to divide the narrow but deep lots located on the western side of North College Avenue. The division of these lots with a street will provide additional frontage on which business can be located, will provide easier access to the deeper lots and will make appropriate development of these lots with the potential for multiple users possible. This, in turn, will increase the value of the properties by adding commercial density and providing the opportunity for full utilization of land that is currently under-utilized.

A mixed use and secondary commercial corridor will be created that will house businesses not in need of the full benefit of the traffic on North College Avenue (as exists on Mason in the southern end of the City). Additional benefits to the project will also include the ability to create utility easements for water/sewer and electric lines. In the area there are currently utilities underground that are not located within appropriate easements. New easements will provide for full, legal access to these utilities and will allow the City to place electric lines underground thus protecting the integrity of the system and enhancing aesthetics. Transportation benefits of the parallel roadway include better access for delivery traffic thus enhancing traffic movement on North College Avenue.

Other Roadway Projects

While not as critical or top priority, other projects within the street network envisioned by the City should be undertaken for full traffic flow. The URA should only be proactively involved if there is an opportunity to undertake a project that no other agency can take advantage of such as; the sale of a piece of land necessary for ROW, or the ability to garner a grant for roadway construction or to take advantage of a new development in the area.

6.2 INFRASTRUCTURE PROJECTS

Under-grounding of Electric

The North College Study Area is one of the last areas of the City where electric utilities have not yet been placed underground. While not a priority project, the URA should take advantage, if an opportunity presents itself, to assist the City in obtaining the necessary easements to underground these lines. “Under-grounding” will not have a significant return on investment; however, the effect on aesthetics is dramatic and adds to the attractiveness of a neighborhood. Again, the URA should not make this a priority, however if opportunities present themselves to include “under-grounding” in one of the roadway projects or by the purchase of a parcel of land or easement rights, the URA should avail itself of the opportunity.

Water/Sewer Easements

Some of the area’s older water/sewer lines were installed without having their locations placed in recorded easements. This can cause significant service disruption should an owner not allow the utility on their property to repair or replace underground equipment. This can be detrimental to continuity of service and only one such disruption can give the entire area a reputation for unreliable service. This would significantly impact the attraction of new users and developers. This item is not a top priority, however, much like the “under-grounding” of electric; the URA should take advantage of opportunities that may arise to relocate lines into recorded easements or obtain easements when purchasing land, granting incentives or through any other means available.

Additional Drainage Projects

While current efforts to divert water upstream in the Dry Creek Basin will make a significant impact on the entire Study Area, individual property owners will still need to prepare for storm water drainage when a vacant parcel is developed. The URA should investigate potential projects such as communal drainage, or additional shared storage projects that would alleviate some of the need for on-site storage for new development. This would allow for more efficient use of the land for development that does not have its landscape dotted with detention ponds or areas. The efficient use of the land will mean greater return on investment for developers/users and thus they will be more likely to undertake projects.

6.3 ENCOURAGEMENT OF STABILIZATION AND DIVERSIFICATION OF USES

Restrictions and Controls on Detrimental Uses – Auto Related Uses

It is obvious that automobile related uses are beginning to overtake the economy of the North College Avenue Area. The URA needs to encourage (or even cause to be written) new controls and restrictions on the placement and design of these uses. While viable and necessary, used car sales, car washes, auto repair, and auto parts stores have begun to dominate the economy and image of the area. This has the effect of crowding out other retail establishments and discouraging the location of other types of uses. Design standards to soften the appearance of these uses so that they appear more like general retail establishments, and the use of controls such as conditional use permits can encourage these uses to disperse throughout the entire City, and not continue to dominate the North College Avenue marketplace. Additionally, property standards and controls would prevent many auto-related uses from over-parking vehicles on their lots, storing parts and merchandise in an unsightly or untidy manner out of doors, and competing for attention with banners or other displays which detract from the area's image.

The reason for a recommendation to limit or reduce automotive related uses on College Avenue is that they do not generate significant value and retail numbers for the area. Although the Primary Market Area has a high index for the purchase of used cars, this use is not desirable for location along North College Avenue frontage due to its detrimental impact on the economic conditions of the area. Sales taxes from used car establishments are allocated to the jurisdiction where the purchaser is located, not the municipality where the sale is made. Used car establishments do not produce high property values since they typically have minimal improvements to the property. The aesthetics of the establishments are also typically poor. Used car facilities also do not usually have much spin-off business to other establishments in the vicinity. These reasons make used car dealers a particularly unattractive land use for North College, particularly along the primary street frontage. Also, automotive service establishments that have outdoor storage or open bays facing the street detract from the value of the area.

To accommodate the relocation of automotive service uses off of College Avenue, the URA and the City of Fort Collins should look toward finding a suitable location for these uses. The high demand for used cars in the Primary Market Area can be met with a centralized location for these uses off of North College Avenue itself. The location of used car establishments in other parts of the City proves that they can thrive, even if not located on major arterials. Certain auto services—car washes are the main example—may need high visibility for impulse patronage. If so, bays should be sideways to street and appearance mitigated.

Within the URA area, there are apparent location options for this type of uses. One is the Industrial area in the southwest portion of the district (near Hemlock or Hickory Streets). Another option is east of College Avenue in the general area of Conifer and Bristlecone Streets. These areas are identified here as general possibilities and do not reflect any specific plan for relocation. In addition to location issues, some special conditions may be worthwhile to address other issues noted above.

There is no suggestion to proactively try to displace existing uses of this type. The market may determine a shift over time. In the meantime, Code standards to mitigate impacts and integrate these existing uses should be enforced.

Restrictions and Controls on Detrimental Uses - Tax Exempt Uses

The URA also needs to insure that only a fair share of non-profit and government users are located in the area. Often these types of users will locate in an area because of inexpensive land (something that exists in the North College Avenue Area). However, if a high concentration of these users present themselves, they will negatively impact the tax increment collected and thus the funding for the URA. Every community needs the services provided by government and non-profit

organizations, and in fact, the provision of such services adds value to a community and thus dollar value to property, however, much like any business type dominating a local economy, the location of too many of these users in one area can have negative affects.

Attraction of New Users, Specifically a “Destination” User

The URA should also endeavor to attract to the area uses shown in Chapter 5 (Market Demand) to have great potential to capture spending that is currently “leaking” out of the market area. This attraction effort should also strive to attract a “destination” use such as a movie theater, large specialty retailer or restaurant that will serve the residents of the market area as well as attract others from outside the area (particularly those who reside south of the Poudre River). This would enlarge the market and bring additional dollars into the area and effectively be free advertisement for other non-destination uses in the area.

One of the potential “destination” users is a one-stop shop for outdoor gear, equipment and supplies. This concept is something similar to the Bass Pro Shops and the “Outdoor World” segment of their organization. Recently, one of these destinations opened in Denver to tremendous success. Other similar facilities around the country have also been incredibly successful.

The North College Avenue area has several outdoor activity establishments, including possibly the single most successful entity in the area. However, a facility with the overall comprehensive supply of goods and services to the outdoor recreation market is not provided in an experiential, entertaining format. Included with the retail sales of hunting, camping and other outdoor recreation equipment should be rental opportunities, guided excursions and more full-service operations. The facility should prove to be a magnet for outdoor enthusiasts from throughout Northern Colorado, Wyoming and other neighboring locations.

Attraction of New Development

The URA must also create new relationships with real estate brokers, investors and developers and insure that local real estate brokerage and development communities fully understand and comprehend the plans and direction the URA is seeking to take the area (see Chapter 7 for more detail.) Good, responsible developers understand that their project will be part of a community and that participating in the long range plan will add value to their project. Discussion with these professionals in the initial stages will attract a handful of the “pioneer” investors. These investors are the ones that will see the plans and see the potential value to them in future area development. The “pioneer” investors are the people who will undertake the first few projects when no one else will. As these projects progress they will show others that there is return on investment to be made and they will then be convinced to invest their money as well.

Continuation of Light Industrial/Office

The users in the Blue Spruce area appear to be stable office and light industrial users with even the light industrial appearing to be more research related with more professional level engineers rather than of manufacturing labor jobs. There still remains some vacant land in this area and it would be appropriate for the URA to attract similar users. Businesses such as the existing office will continue to bring higher wage earning jobs to the area and add more buying power during the day and will boost the business community. This is also the group that will assist in the attraction of family restaurants as office workers are given long enough lunch breaks and has a high enough wage to afford to patronize these restaurants at lunchtime. One of the keys to survival for a family restaurant is to have a lunch crowd to provide full-day income. It is also these workers that could drive demand for the residential developments to be discussed latter in this section.

Continuation of Heavy Industrial

The existing heavy industrial users located between North College Avenue and the railroad tracks in the southwest section of the Study Area appear to be fairly entrenched and stable. These users are

providing some excellent jobs and appear to assist the economy in exporting their products to locations outside the area marketplace (the importation of money into an economy is one of the key goals to grow and expand). The amenity of the rail lines has benefited some of them and this success can be utilized in attempts to attract similar users. The rail lines make an appropriate buffer between these heavier users and adjacent dissimilar land uses. This (heavy industrial) use should not be expanded beyond its current boundaries, however, infill use of vacant lots and any unused buildings would be appropriate. The attraction of new heavy industrial users will provide more lower or non-skilled jobs, providing opportunity for some of the areas lower-income, less educated workforce.

Development of the Poudre River as a defining theme

During the Strengths and Weaknesses discussion, the Poudre River was identified as falling into both categories. As a redevelopment strategy, a program to enhance the use of the River could be a valuable tool for both North College Avenue and the rest of the City of Fort Collins.

The use of North College as a stepping-off point for outdoor recreation in the Poudre Canyon has already been discussed. The companion strategy should be to develop the urban river portion as it passes through Fort Collins to make it a gateway to North College. The development of a “Riverwalk” concept with shops, restaurants and community areas taking advantage of the River and its scenery has worked well in many other areas of the country. It is well understood that sensitivities toward the natural environment must be included in any development. However, a program that captures the opportunity can and should be pursued.

Any such “Riverwalk” development would likely begin on the south side of the River closer to Old Town. This development may likely be part of the overall DDA program. However, more complementary development on the north side of the River is also possible. This action would require the clean-up of uses along Vine Drive to make a more attractive destination and a better southern entry to the Study Area. The new housing development north of Vine Drive would assist in providing a market for the area and a consistent attractive neighbor.

6.4 RESIDENTIAL DEVELOPMENT

Residential Attraction

While not spending money directly to attract development, URA board members, staff and supporters should go out of their way to attract or support new rooftops that will bring people with disposable income. This will bring more buying power to the area and increase viability of the business district. Besides housing within the Study Area, it would be beneficial to have more housing development in the areas to the west and north of the Study Area, where North College Avenue would be on the daily route for new residents and shopping the area would be more convenient than any other shopping area of the City. It is recognized that there may not be a forum for the URA to be directly involved in land use decisions outside the Study Area.

Within the Study Area, the URA should act as a middleman in the attraction of developers to pursue the addition of housing. The projects that are in the planning stages for the study area are a good example. The URA could also facilitate the assembly of property to encourage the housing projects. Another approach would be to speak with existing property owners to encourage them to explore the housing options.

Mixed Development for Existing Motel/Mobile Home Areas

There are currently several developments, most notably the old motels, trailers, and mobile homes that serve as low income and transient housing. It is obvious that age is beginning to take its toll on the quality and safety of this housing.

One recommendation for future housing is to develop permanent, mixed income, multifamily neighborhood product on the west side of North College Avenue. This area would likely include a redevelopment of some of the motel and trailer uses into the housing development, and possibly mobile home park uses as well. There are currently no plans for such redevelopment. However, such consideration should occur. Discussions with current property owners indicate that such a potential could be considered, if the proper value was received for the land/or and the returns on investment would be sufficient. The provision of a mixed income project could include affordable housing for those currently residing in the trailers and mobile homes yet still have room for more residents.

The attraction of new residents with greater income would add additional spending power and thus bolster the local business economy (attraction of new residents always has such an affect) and studies have shown that when people of mixed income share a common living situation, it is the lower income residents whose situation, for various reasons, is enhanced. This is the rationale behind the growing trend of inclusionary housing programs and the elimination of concentrated low-income housing projects across the nation. The URA could participate in such development through the purchase/assembly of land, seeking out HUD or other housing grants to assist in subsidizing the private sector development of such a project, or through the marketing of a project. The mixed income housing discussed here would be a good project to explore possible partnership with the existing Affordable Housing program.

Regarding the senior mobile home park, in the long run, it would be best to redevelop this housing into more permanent housing. No specific public action is recommended to accomplish this, but the market may work to accomplish it over time.

6.5 PROPERTY ACQUISITION

Property Assembly

There are many small and/or single user parcels that are significantly underdeveloped and/or too shallow for modern development that meets the needs of users and all the requirements of the City land use and zoning ordinances. In order to create an opportunity with enough physical space and income potential for a developer to undertake the project, there must be a reasonably sized parcel available. In order to have these parcels along much of North College Avenue (and along the Mason Street Extension if it is ever constructed), there must be an assembly of the smaller parcels into a larger parcel. In any case, land assembly will provide for more efficient use of land, better traffic flow (due to reduced need for access points along the roadway) and will provide for quicker redevelopment to happen. The URA should monitor the area and locate willing sellers and attempt to assemble land via options or outright purchase using TIF (described further below).

Purchase of Land Options

The URA could approach land owners within an appropriate land assembly area and offer to purchase options on the land. For a modest price (from \$500 to \$5,000 for example) a contract is drawn up that allows the URA the first option to buy a parcel if and when the owner chooses to sell the land. This option could be at some pre-determined price (i.e. average value of two independent appraisals) or it could be to match another offer. Either way, options can have the effect of assuring future assembly without much out of pocket cost. It is also important for the URA to include in any such contract the right to sell the option to a third party. This would allow the URA to sell its interest to a developer that would like to acquire the property (either an individual property or the entire assembly) without having to actually come up with the money to purchase or take title to the property.

The Developer RFP

Most commonly, a redevelopment entity will purchase parcels and hold them until such time as there is enough land to issue a developer request for proposal (RFP). The URA would then issue an RFP and select a developer to undertake a project either on his/her own or in partnership with the URA. The RFP could have conditions attached to it as to what the URA wants on the land in terms of appearance or use. This is an excellent land disposal method as the URA would be in full control of what is built on the site.

Owner Participation Assembly

In this situation, the URA can take the lead role in convincing adjoining property owners to pool their land for sale or the URA could assist in preparing a developer RFP for or with the owners for the sale of their land. The benefits of this scenario are that the URA need not come out of pocket for the purchase price of land as the land will remain with the owners until the developer takes title.

A concept, beginning to gain acceptance in the redevelopment experience, is the establishment of a joint venture with property owners in a target area. Under this approach, the individual property owners contribute their land to a corporation and receive an equity position based on the value of the property. The combined property can then be redeveloped in a more functional and productive pattern. Each property owner then shares in the profits gained by the corporation. They also have the ability to relocate their old business in the new development.

This mechanism allows for redevelopment of the smaller parcels due to the pooling of resources. The land is more attractive and can also generate interest from a master developer who could join in the corporation. Some Federal programs such as through the EDA have expressed interest in this concept and could provide some grants or low interest loans. The continuation of ownership and the existing businesses is attractive to these groups.

6.6 INCENTIVES AND GRANT PROGRAMS

Direct Developer Incentives

The URA should develop a package of TIF incentives in order to reduce development costs and encourage new development/redevelopment. This incentive program should identify the needs and desires of the URA and provide various incentives at pre-determined levels based on the number of URA criteria that are met by the project. For example a point system could be created and under various point ranges, the developer would qualify for increasing value incentives. Therefore, the greater the points generated by a project, the greater the incentive that can be provided. Points could be awarded for such items as efficiency of land use, locating a desired user in the desired location (i.e. an office user in the Blue Spruce area), additional design amenities in the project, appropriate access management, the granting of easements or ROW, excess stormwater drainage capacity that can be used by others. Virtually all of the URA needs can be addressed by a point system and incentives awarded accordingly. Incentives could take many forms such as the URA reimbursing the owner for required roadway capacity improvements, the granting of excess stormwater drainage capacity under the control of the URA, the rebate of money equal to permit and approval costs, or simply a flat percentage of the tax increment generated by the property. These incentive awards could be flexible either being provided at the time the cost is incurred or divvied up over a period of years so that the URA need not come out of pocket for the incentive but can pay it as the tax increment generated by the project is received by the URA. These incentives will attract investment as they will reduce the development or short term carrying costs on a project. Investors will utilize such a program and it will speed up the timeline for full development/redevelopment. An important factor to note is that not every project should be granted incentives. Only those projects that meet the needs and the desires of the URA should be assisted. Additionally, the purpose of incentives is to “get the ball rolling.” Once developers have found the area and realize profit

potential, they will come. Therefore, it is important to realize when you no longer need to offer incentives and the program should expire.

Incentives may be provided in the form of grants or low interest loans. Programs may be best implemented as a revolving loan program where the repayments generate funds for a new set of loans.

Property Improvement Grants or Loans – A staple of most any revitalization effort is the property improvement grant usually in the form of façade improvements. A program should be established that matches a property owner’s investment in an improvement that enhances the aesthetics of their property and adds assessed property value, if the property fits the overall plan and vision, and is not needed for right-of-way or other key land assemblage. The program should be capped at a certain amount per parcel. This cap can be a sliding scale based on building size, frontage size, or building value or it can just be a flat amount for any property. It is critical that it be a matching program (often a program will match on a dollar-for-dollar basis) to insure that the owner also has a stake in the project.

The program should allow for any improvement to the property or addition of an enhancement feature that does not currently exist on site. For example, funds could be made available for upgrading of landscaping. The money should not be used to pay for required landscaping that has died or for maintenance of existing landscaping, but only for additional landscaping that has not and does not exist on the site. It is important to have standards that must be met in these programs such as a certain architectural style to promote a common architectural theme in the area or a certain size landscape buffer or number of trees per certain number of feet.

Property improvement programs are an excellent opportunity to enhance buildings that may look older and “tired” but are not functionally obsolete or undesirable. These programs are usually geared to smaller property owners and thus allow for the small business person or the “mom and pop” operator to participate and gain value from the URA as well. Once a certain number of these projects have been undertaken, often adjacent property owners will begin to clean up and upgrade their own properties in order to keep their properties competitive. This has the effect of raising the standard for the appearance of property and can significantly enhance both value and aesthetics of the area.

Low interest loans can be provided as well as grants. The program may be best implemented as a revolving loan program where the repayments generate funds for a new set of loans.

Future Development Scenarios

This analysis does not attempt to designate any specific use for any specific property in the Study Area. The recommendation to relocate the automotive uses off of College Avenue appears feasible to do with properties within the URA boundary. Additionally, the new housing and commercial activity can also be accommodated. Final determination of any location of use should be decided by the Planning process and in cooperation with the property owners.

CHAPTER 7

FUTURE ROLE OF THE URBAN RENEWAL AUTHORITY

It is important that the role of the URA be clearly defined. A clearly articulated mission and roles for those involved in the redevelopment process will serve to define responsibilities, prevent overlapping efforts and insure that no project is neglected.

7.1 STAFF AND URA BOARD

A key component to the future success of the North College Avenue redevelopment efforts is the appointment of a dedicated staff person for the URA. This assignment insures continuity of the redevelopment message and appropriate coordination of efforts. The staff person's mission would be to champion the projects and efforts of the URA as outlined in the URA plan and other documents as defined by the Plan. The staff person would also be responsible to be the advocate for any adopted policy or position of the URA Board regarding matters that affect the area. This would include protection of the Plan integrity or the position of the URA Board in various matters such as land use/zoning requests, development proposal review and any other discretionary land or policy decision of the City or other governmental entity. This person would be the daily "go-to" person for anyone looking to develop or locate to the area and would be the collector and librarian of all information on the area. While it should be the directive for all those involved in the URA and its activities to play a champion role and tout the area, the plan and vision, the staff person should be the standard bearer of these efforts. Staffing is expected to come from TIF. The question of a mill levy to cover staffing has been asked, however, Colorado URAs do not have the ability to levy taxes.

A liaison with the development and real estate communities is an important factor in making progress. One of the functions of the URA and the staff is to actively seek companies and projects to locate in the area. Defining the needs of these groups and matching them with locations in the URA area will provide a business and development friendly atmosphere. Additionally, the URA should act to speed up the development design and review process.

The Board of the URA should play the role of policy maker and should provide clear and concise direction to staff regarding the priority of projects and programs and should provide leadership that clearly states the future the Board envisions for the Renewal Area.

Most of all, the URA Board should insure that everyone remembers the purpose and needs of the area as well as the desires of the area residents and businesses when advocating for or against future development/redevelopment. It is absolutely vital to remain true to the plans and purpose set out for the URA. It is also critical to periodically review Plan for their applicability as economies and trends change. When it appears that a long term condition has changed, modification to the plan should be made accordingly. These modifications should be made with the big picture in mind and should not merely be made to accommodate a single, proposed project because it is "better than what we have now." Losing sight of the original intent and opting for this type of lesser project will in the long-run, undermine the redevelopment efforts and lead to an area that becomes the modern version of the existing economy, with no solution to the true, underlying problems facing the area.

Questions have been raised about options for the provision of a staff person for the URA. One suggestion is that a member of the Planning Department be assigned this role. Another was to

contract with an outside organization, and one such suggestion was the DDA. If the position is funded through the Planning Department, the person filling this role must have experience in the nuances of planning approval process, and also have expertise in financial aspects of development and an overall understanding of how business development works.

If the position is placed with some other outside organization, a definitive contract would be critical to overcome the shortcomings of such an arrangement. The contract must define the role of the staff person and the commitment in hours or percentage of time necessary to fulfill the functions for the URA. The staff person cannot have a secondary loyalty to the URA. The needs of the URA must come first. Such a contractual arrangement would be a last resort only if the URA is unable to hire its own staff using TIF.

7.2 PROACTIVE POSITION

While one often thinks of redevelopment as a public undertaking, it is, and should continue to be, the role of the private sector to redevelop and rebuild an area. The role of government should be to remove obstacles that prevent the private sector from investing in and undertaking redevelopment. These obstacles can be generally defined as anything that reduces the profit potential below an appropriate return on investment. This can be manifested in such things as increased cost of longer timeframes (as delays cost money), public infrastructure, land assembly, or other extraordinary cost complications. Additionally, obstacles can also be defined as those conditions that would prevent or appear to prevent the attraction of sufficient customers to support a business undertaking. The URA's lead role should be to reduce these risks for developers and businesses through the undertaking of projects, programs and advocating policy and regulatory changes that reduce costs and enhance livability in the area. This can be accomplished through the implementation of projects and programs outlined or referred to in the URA Plan or the "Future Plans" section of this report and the promotion and advocacy of regulatory or policy changes that would eliminate the aforementioned obstacles.

Most government programs are created as a reaction to an event or circumstance and are not proactive and risk-taking. Revitalization efforts, in contrast, will only survive when risk-taking is involved (although any risk-taking action should be well thought-out and planned). The URA needs to be aggressive in its efforts and be prepared to capitalize on unforeseen opportunities that present themselves. The URA should take a very aggressive position in the prioritization of projects and programs to undertake. Any prioritization should take into account anticipated TIF income, potential bonding capacity (should the URA wish to bond), grant opportunities, the plans of other governments and agencies, and also the expected return to the URA on its potential investment in any project or program. It is important to note that when determining return on investment for prioritization purposes that return in dollars should not be the only consideration. Often there are other returns such as raising the public awareness and improving perceptions of the area, as well as showing of goodwill to the constituency that promotes future relations (i.e. when offering incentives, often the first recipient may receive an award that is financially negative or neutral for the URA, however it will receive media attention or foster goodwill with a company or developer that in turn, promotes the area and revitalization efforts of the URA.)

7.3 ROADWAYS/INFRASTRUCTURE

The top priority of the URA should be the reconstruction of North College Avenue. The URA's role should be to find what would encourage the Colorado Department of Transportation (CDOT) and the City to speed up reconstruction of the roadway (the need for upgrading the roadway with curbs, median, sidewalks, etc. has put it in long range plans for the City, Metropolitan Planning Organization (MPO) and CDOT. This may take the form of assistance in the funding of the initial design drawings/plans, surveying, and/or the purchase of necessary right-of-way (ROW) for this

project or future roadway connections that will intersect with North College Avenue. It is the upgrade of the main road in the area that will signal, more than any other project, the commitment to upgrading the area. This project will generate investment in the corridor as it becomes more aesthetically pleasing, access management is implemented, and sidewalks are added to provide defined space and safety for pedestrians.

The URA should eventually take a similar role for the implementation of the all street and roadway projects outlined in the City's Master Streets Plan, the North College Avenue Corridor Plan, the North College Avenue Access Management Plan and any updates or new, related plans adopted by the City in the future.

7.4 ROW AND LAND ACQUISITION

ROW Acquisition

The City's practice of obtaining certain concessions such as dedication of ROW or various improvements to mitigate new development elsewhere in the City has worked well. However, in the built environment of the North College Study Area, the requirement to divide property by granting ROW through it or even the need for an easement can present a significant cost and/or burden to a developer. Therefore, another key component program of the URA should be to create a package for ROW and easement acquisition. This program should be a two-pronged approach. One prong of the program should be designed to purchase ROW and any necessary easements along various properties to provide for priority roadway or utility projects as determined by the Board. Under this program, land for ROW should be purchased where needed at the time it is needed. The second "prong" would be designed to purchase such land and/or rights for any project when the opportunity presents itself even if the undertaking of the project for which it would be necessary is not in the immediate future. These opportunities may manifest in an opportunity to buy an entire parcel, exact the necessary land from the parcel and then resell the remaining land, or holding onto the land to assemble a larger parcel. It may also take the form of buying only the necessary ROW or easement from a developers seeking to build on the parcel, instead of the City requiring a donation of the land as part of a development order. In the second example, the value of the land will be added back into a potential project, thus reducing the costs and removing this cost obstacle (as defined earlier).

Land Assembly

As an extension of the ROW acquisition, the URA should also identify parcels that would be appropriate for assembly to be utilized for redevelopment projects. The URA should then take the lead in seeking developers or entities that would utilize these lands and the URA should assist them in negotiations with property owners and users. If no users can be identified up front or if assembly is anticipated to take a significant period of time, it would be appropriate for the URA to begin to purchase land from willing sellers for future assembly. While not ideal for a government entity to encumber its resources through land banking, this method can be very effective in revitalization efforts and attempts to attract development and while funds will be tied-up in the land in the short run it is highly probably that the URA will recoup its investment when the land is transferred to another entity that will undertake a redevelopment project. Additionally, the URA has the right and should be encouraged to allow any current users to continue to operate on the land as if the property were in private hands. This prevents additional vacant buildings and blighting influences on the area and provides for a revenue stream to recoup operation and carrying costs on the property.

7.5 DIRECT INCENTIVES

Rebates

Other forms of direct cost or direct cash incentives should be formulated to offer to developers using TIF and possibly any other grant funds that could be leveraged by TIF such as Transportation funds. Such incentives could take the form of the URA undertaking impact mitigation projects that would normally be required of the developer as part of the development order. The addition of roadway turn lanes or utility service upgrading in the area are examples of these types of projects the URA could undertake or fund to mitigate impacts. The URA could also formulate a program of direct cash-back incentives, allowing a portion of the tax increment that is directly derived from the project to be rebated for a period of time (i.e. 50% of the increment generated for 8 years). This is an excellent incentive as it is tied to the direct income derived by the URA from the individual project and as it is rebated after tax payments are made, the URA need not advance funds to the developer. This reduces project cost by rebating cash during a period during which most projects are still mortgaged effectively reducing development costs over the period. This program can also be altered to provide for a greater percentage rebate based on the desirability of the project. If a developer is seeking to build a large shopping center with a movie theater or other “destination” component, this project could be incentivized to a greater extent than a shopping center without such a destination use. Flexibility can be built into the percentage rebated, the time period of incentive, or a sliding scale can be utilized with a greater percentage in the early years which reduces in the later term.

Property Upgrade Grants

The URA is also in need of programs to directly assist in the upgrading of properties with long term stability. A property improvement grant program which allows property owners a matching grant of some level to either improve/update the façade of their building and/or enhance landscaping on the roadway frontage of their property provides for an instant impact and good return on investment as the match should be on no less than a dollar-for-dollar basis. The hope of this program is to upgrade and modernize the appearance of several properties in order to entice the remainder of the property owners to “keep up with the Joneses” and to maintain a higher architectural standard in the area. This is an excellent early term program while the URA is waiting on the build-up of its tax increment as the investment by the URA will be relatively minimal.

7.6 RE-EVALUATION OF PROGRAM

As mentioned earlier, it is critical that the URA not become in-flexible in its approach. Periodic review of policies and conditions must be undertaken in order to remain on the cusp of new trends and technologies that the area must capitalize on in order to revive and diversify its economic and livability.