

FOOTHILLS MALL

Urban Renewal Plan



Prepared for:
City of Fort Collins and
Fort Collins Urban Renewal Authority
May 15, 2007

Table of Contents

1. Preface and Intent	3
2. Finding of “Blight”	4
3. Plan Objectives	4
Foothills Mall Redevelopment Objectives.....	5
4. Renewal Activities	6
5. Development Standards and Procedures	8
6. Conformance	8
Urban Renewal Law	8
<i>City Plan</i>	8
7. Project Financing	10
Property Tax Increment	10
Sales Tax Increment.....	11
Tax Increment Reimbursement.....	12
8. Modifications to the Plan	12
9. Reasonable Variations	12
Appendix A - Legal Descriptions	

1. Preface and Intent

The Foothills Mall Urban Renewal Plan (Plan) is an Urban Renewal Plan prepared for the Fort Collins Urban Renewal Authority (Authority) and the City of Fort Collins (the City), pursuant to the provisions of the Urban Renewal Law, Colo. Rev. Stat. §§ 31-25-101 et seq. (Urban Renewal Law). Terms used in the Plan have the same meaning as in the Urban Renewal Law.

The jurisdictional boundaries of the Authority are the same as the boundaries of the City. Within the City boundaries there may be one or more urban renewal areas. This Plan describes the framework for certain public undertakings constituting urban renewal projects and other authorized activities under the Urban Renewal Law in the Foothills Mall area, located in the City of Fort Collins, Larimer County, Colorado.

The boundary of the area to which this Plan applies generally includes those properties located within the area generally bounded by:

- East Swallow Road residences (rear property lines) on the north,
- East Monroe Drive on the south,
- Stanford Road on the east, and
- South College Avenue on the west.

The plan area is depicted on the Boundary Map located at the end of this document. The legal descriptions of the twelve parcels within the Plan area are attached hereto as Appendix A.

This Plan was prepared for adoption by the City Council in recognition that this Renewal Area requires a coordinated, cooperative strategy, with financing possibilities, to eliminate blight and prevent the spread of blight, and accomplish the City's development objectives for improving the continued viability of the mall and surrounding retail areas.

The Plan effort was originated in response to a request by the current owner of the Foothills Mall, General Growth Properties. The mall originally opened in the fall of 1973 and has undergone expansions in 1980 and again in 1989, but has experienced declining sales and increasing vacancies in recent years with increasing competition from larger and newer retail ventures in Northern Colorado. The recent loss of two major anchor stores, Mervyn's and JCPenney, at the mall has left larger areas of un- and under-utilized retail space, parking areas, and other areas that are contributing to the escalating blight on the mall properties.

The driving interest in the establishment of this Plan is to offer tax increment financing as a tool to stimulate and leverage private sector development and redevelopment, to help eliminate blight, and to prevent the spread of blight.

Development and redevelopment in the area is anticipated to occur in the near future, with the potential for URA financing to provide the impetus and means to undertake this redevelopment at a faster pace than might occur otherwise.

2. Finding of “Blight”

Based on the evidence presented at a public hearing, and in the Foothills Mall Existing Conditions Survey, dated May 15, 2007, a copy of which is attached hereto as Appendix “B” the City Council, by Resolution 2007-____, made a finding that the Renewal Area was “blighted” as defined by the Urban Renewal Law, by the existence of the following seven factors:

- predominance of defective or inadequate street layout;
- faulty lot layout;
- unsanitary or unsafe conditions;
- deterioration of site or other improvements;
- unusual topography or inadequate public improvements or utilities
- buildings that are unsafe or unhealthy;
- the existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements

The City Council also found that these factors, taken together, substantially impair the sound growth of the City, constitute an economic and social liability, and are a menace to the public health, safety and welfare of the community. Based on evidence of the “blighted” factors, the Renewal Area is appropriate for authorized activities of the Authority pursuant to the Urban Renewal Law.

3. Plan Objectives

The overall objective of this Plan is to remedy blight and prevent the spread of blight by assisting implementation of the relevant provisions contained in the following documents:

- *City Plan* (The City of Fort Collins Comprehensive Plan)
- *Fort Collins Infill Infrastructure Report*
- *City of Fort Collins Master Transportation Plan*
- *City of Fort Collins Economic Action Plan*

To do this, this Plan is intended to stimulate private sector development in and around the Renewal Area. A combination of private investment and Urban Renewal Authority financing will assist progress toward the following additional objectives:

- To address and remedy conditions in the area that impair or arrest the sound growth of the city
- To implement the Comprehensive Plan and its related elements
- To redevelop and rehabilitate the area in a manner which is compatible with and complementary to unique circumstances in the area
- To effectively utilize undeveloped and underdeveloped land
- To improve pedestrian, bicycle, vehicular, and transit-related circulation and safety
- To ultimately contribute to increased revenues for all taxing entities
- To encourage the voluntary rehabilitation of buildings, improvements, and conditions
- To watch for market and/or project opportunities to eliminate blight, and when such opportunities exist, to take action within the financial, legal and political limits of the Authority to acquire land, demolish and remove structures, provide relocation benefits, and pursue redevelopment, improvement and rehabilitation projects.

Foothills Mall Redevelopment Objectives

The primary focus of the redevelopment efforts at Foothills Mall will be to replace the two vacant anchor tenants, update the common areas of the mall, and provide new offerings that are more in line with the demands of today's consumers. The redevelopment efforts can be broken into seven distinct areas that will be completed as obstacles to the program are overcome and market forces dictate. The seven areas can be roughly described as follows:

1. replacement of Mervyn's with a future anchor tenant,
2. replacement of JC Penney with a future mini-anchor tenant,
3. an update of the interior common area of the mall,
4. addition of an exterior facing streetscape along Foothills Parkway,
5. redevelopment of the Shops at Foothills,
6. redevelopment of the former Perkins site, and
7. redevelopment of The Plaza at Foothills.

The existing Mervyn's building is contemplated to be replaced by a 2-story 150,000 square foot Anchor tenant in roughly the same location as the former Mervyn's. This will allow Foothills Mall to attract a higher end anchor than the current single-story 75,000 square foot building allows for. The Current JC Penney

location will be replaced with a single-story mini-anchor of approximately 50,000 square feet in a significantly different configuration than the current JC Penney store. This will again allow Foothills Mall to attract the best possible tenant for this location and also allow for improved parking and traffic circulation by eliminating a pinch point between the corner of the existing JC Penney building and the ring road.

The existing interior common areas of the mall will also be upgraded to reflect current standards for a first class shopping center. The final piece of the mall itself will be the addition of a two-story 40,000 square foot mini-anchor and 26,500 square feet of exterior facing restaurants and retail shops in a streetscape facing Foothills Parkway. This will allow Foothills Mall to accommodate those tenants who will only accept exterior locations with immediate access to parking.

The former Perkins building will be demolished and rebuilt in a configuration to provide both better access and visibility for future tenants. This location will be marketed to both single use and multi-tenant food offerings. Both the Shops at Foothills to the north and the Plaza at Foothills to the south will be the subjects of future redevelopment plans with a focus on providing the best possible retail offerings and improving connectivity to the central core of Foothills Mall.

The overall vision for Foothill Mall, upon completion of all redevelopment activities, is to create a first class shopping and dining destination that will function as one cohesive, pedestrian friendly site.

4. Renewal Activities

To support progress toward the objectives, the Authority may undertake any of the following renewal activities, as deemed appropriate for the elimination or prevention of blight factors within the renewal area, pursuant to the Urban Renewal Law:

- a. **Public Improvements.** The Authority may cause, finance, or facilitate the design, installation, construction, and reconstruction of public improvements in the Renewal Area. In order to promote the effective utilization of undeveloped and underdeveloped land in the Renewal Area, the Authority may, among other things, enter into financial or other agreements with the City of Fort Collins to provide the City with financial or other support in order to encourage or cause the City to invest funds for the improvement of storm drainage and street conditions and deficiencies in the Renewal Area.
- b. **Purchase of Property.** In the event that the Authority finds it necessary to purchase any real property for an urban renewal project to remedy blight factors pursuant to the Urban Renewal Law and this Plan, the Authority may do so by any legal means available, including the exercise of the power of

eminent domain, pursuant to the Urban Renewal Law. If the power of eminent domain is to be exercised for the purpose of transfer of property to another private person or entity, the Authority's decision whether to acquire the property through eminent domain shall be guided by the following criteria, with the understanding that these guidelines shall not be construed to constrain the Authority's legal ability to exercise the power of eminent domain:

- all requirements of the Urban Renewal Law, including eminent domain procedures, have been met;
 - other possible alternatives have been thoroughly considered by the Authority;
 - good faith negotiations by the Authority and/or the project developer have been rejected by the property owner;
 - reasonable efforts have been undertaken to: (a) understand and address the property owner's position and his or her desires for the property and for any existing business on the site, and (b) work with the owner to either include the owner in project planning or purchase the property and relocate the owner in accordance with the Urban Renewal Law on terms and conditions acceptable to the owner.
- c. Demolition. The Authority may provide for the demolition of existing development and clearance of sites as part of specific projects.
- d. Participation Agreements. The Authority may enter into participation agreements with property owners or developers in the renewal area to facilitate participation and assistance that the Authority may choose to provide to such owners or developers. These may include provisions regarding project planning, public improvements, financing, design, and any other matters allowed pursuant to the Urban Renewal Law.
- e. Relocation Assistance. It is not expected that the activities of the Authority will displace any person, family, or business. However, to the extent that in the future the Authority may purchase property causing displacement of any person, family, or business, it shall develop a relocation program to assist any such party in finding another location pursuant to the Urban Renewal Law, and provide relocation benefits consistent with the Urban Renewal Law. There shall be no displacement of any person or business without there being in place a relocation program, which program shall become a part of this Plan when adopted.
- f. Hiring. The Authority may employ consultants, agents, and employees, permanent and temporary, and it shall determine their qualifications, duties, and compensation.
- g. Legal Authority. The Authority may also exercise all other powers given to it under the Urban Renewal Law.

5. Development Standards and Procedures

Development within the Renewal Area shall be designed and processed in accordance with the City of Fort Collins Land Use Code and other applicable standards, in the City's standard development review procedures.

6. Conformance

URBAN RENEWAL LAW

This Plan is in conformity with and subject to the applicable statutory requirements of the Urban Renewal Law.

CITY PLAN

The City's adopted Comprehensive Plan, known as *City Plan*, describes desirable land use and transportation patterns, with goals and policies for those topics along with community appearance and design, the environment, open lands, housing, the economy, and growth management.

Briefly summarized, the land use pattern envisioned by these plans for the Renewal Area is a retail and commercial hub, providing major shopping and service opportunities to the residents and visitors of the City of Fort Collins. The redevelopment envisioned includes a safe, efficient, and logical circulation pattern, including options for alternative modes of transportation as well as passenger vehicles; significant exterior upgrades.

This Plan is intended to provide mechanisms to facilitate implementation of *City Plan*, and therefore it is in direct conformance with *City Plan*.

The following excerpts from *City Plan* highlight the linkage between *City Plan* and this Urban Renewal Plan. These are representative excerpts, and not an all-inclusive listing of relevant statements:

- **PRINCIPLE GM-8:** The City will promote compatible infill and redevelopment in areas within the Growth Management Area boundary.
- **Policy GM-8.1 Targeted Redevelopment/Infill.** Redevelopment and infill development will be encouraged in targeted locations. The purpose of these areas is to channel growth where it will be beneficial and can best improve access to jobs, housing and services with fewer and shorter auto trips. These targeted areas

are parts of the city where general agreement exists that development or redevelopment is beneficial. A major goal is to increase economic activity in the area to benefit existing residents and businesses and, where necessary, provide the stimulus to redevelop. These areas should be defined from *City Plan*, Subarea Plans, Zoning and locational criteria such as:

- a. Underutilized land
- b. Areas already undergoing positive change, which is expected to continue
- c. Areas where infrastructure capacity exists
- d. Areas where public investment is warranted from a policy perspective
- e. Areas with special opportunities, such as where major public or private investment is already planned
- f. Transportation opportunities:
 - Along travel corridors
 - Along enhanced travel corridors

■ **Policy GM-8.4 Remedy Infrastructure Deficiencies.** The City will consider opportunities to selectively correct infrastructure deficiencies in targeted areas, such as storm drainage and streets, so that infill development or redevelopment does not pay an infrastructure “penalty” to remedy past problems in existing developed areas.

■ **Policy GM-8.5 Public Investment.** The City will consider opportunities, and the costs and benefits for targeted public investment in order to encourage redevelopment and infill development in appropriate locations.

■ **Policy ECON-1.5 Maintain and Expand City Revenue Base.** The City will ensure that commercial uses that generate the sales and use tax revenues which support the City’s financial base are maintained and expanded. The City will also explore other options to expand and diversify its revenue base, including targeted annexations of existing commercial corridors, such as the Mulberry Corridor, as well as revenue sharing agreements with other communities.

- a. The City will assist in identifying and preserving key undeveloped parcels in appropriate locations for additional commercial activity.
- b. The City will seek to strengthen existing commercial districts, such as the Downtown, North College, Campus West, and the Foothills Mall.
- c. The City will seek to maintain and enhance its attractiveness as a place to do business in order to maintain its share of the region’s sales and use tax base.

7. Project Financing

Specific projects may be financed in whole or in part by the Authority, under the tax increment financing (TIF) provisions of CRS § 31-25-107(9)(a) of the Urban Renewal Law, or by any other available source of financing authorized to be undertaken by the Authority pursuant to CRS § 31-25-105 of the Urban Renewal Law.

The Authority is authorized to:

- (a) finance urban renewal projects within the Renewal Area with revenues from property tax increments, sales tax increments, interest income, federal loans or grants, agreements with public, quasi-public or private parties and entities, loans or advances from any other available source, and any other available sources of revenue;
- (b) issue bonds and incur other obligations contemplated by the Urban Renewal Law in an amount sufficient to finance all or any part of a project within the Renewal Area; and
- (c) borrow funds and create indebtedness in any authorized form in carrying out this Plan.

Any principal and interest on such indebtedness may be paid from property tax increments, sales tax increments or any other funds, revenues, assets or properties legally available to the Authority. Such methods may be combined to finance all or part of the Plan activities.

PROPERTY TAX INCREMENT

A fund for financing projects may be accrued and used by the Authority under the property tax allocation financing provisions of the Urban Renewal Law. Under this method, property taxes levied after the effective date of the approval of this Plan upon taxable property in the Renewal Area each year by or for the benefit of any public body shall be divided for a period not to exceed twenty-five (25) years after the effective date of the adoption of the tax allocation provision, as follows:

Base Amount - That portion of the taxes which are produced by the levy at the rate fixed each year by or for such public body upon the valuation for assessment of taxable property in the Renewal Area last certified prior to the effective date of approval of the Plan or, as to an area later added to the Renewal Area, the effective date of the modification of the Plan, shall be paid into the funds of each such public body as are all other taxes collected by or for said public body.

Increment amount - That portion of said property taxes in excess of such base amount shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans or advances to, or indebtedness incurred by (whether funded, refunded, assumed or otherwise) the Authority for financing or refinancing, in whole or in part, a specific project. Such increment amount shall also be used to pay for the Authority's financial obligations incurred in the implementation of this Plan.

Unless and until the total valuation for assessment of the taxable property in the Renewal Area exceeds the base valuation for assessment of the taxable property in the Renewal Area, all of the taxes levied upon taxable property in the Renewal Area shall be paid in to the funds of the respective public bodies.

In the event that there is a general reassessment of taxable property valuations in Larimer County, which are subject to division of valuation for assessment between base and increment, as provided above, the portions of valuations for assessment to be allocated as provided above shall be proportionately adjusted in accordance with such reassessment. Note that at the time of this Plan adoption, such a general reassessment occurs every two years, in the odd-numbered years.

When such bonds, loans, advances, indebtedness, and financial obligations, including interest thereon and any premiums due in connection therewith, have been paid, all taxes upon the taxable property in the Renewal Area shall be paid into the funds of the respective public bodies.

SALES TAX INCREMENT

The project may also be financed by the Authority under the sales tax allocation financing provisions of the Urban Renewal law. The act allows that upon the adoption or amendment of an Urban Renewal Plan, sales taxes flowing to the City may be "frozen" at their current level. The current level is established based on the previous twelve months prior to the adoption of this Plan. Thereafter, the City can continue to receive this fixed sales tax revenue. The Urban Renewal Authority thereafter may receive all, or an agreed upon portion of the additional sales taxes (the increment) which are generated above the base. The Authority may use these incremental revenues to finance the issuance of bonds, reimburse developers for public improvement costs, reimburse the City for public improvement costs and pay off financial obligations and other debts incurred in the administration of the Urban Renewal Plan. This increment is not an additional sales tax, but rather is a portion of the established tax collected by the City, and the sales tax increment resulting from redevelopment efforts and activities contemplated in this Plan.

TAX INCREMENT REIMBURSEMENT

Tax increment revenues may be used to reimburse the City and/or developer(s) for costs incurred for improvements related to a project to pay the debt incurred by the Authority with such entities for urban renewal activities and purposes. Tax increment revenues may also be used to pay bonded indebtedness, financial obligations, and debts of the Authority related to urban renewal activities under this Plan.

8. Modifications to the Plan

This Plan may be modified pursuant to requirements and procedures set forth in CRS §31-25-107 of the Urban Renewal Law governing such modifications.

9. Reasonable Variations

The Board shall have the ability to approve reasonable variations (as determined by the Board) from the strict application of these Plan provisions, so long as such variations reasonably accommodate the intent and purpose of this Plan and the Urban Renewal Law. Plan provisions may be altered by market conditions, redevelopment opportunities and/or the needs of the community affected by the Plan.

Appendix A - Legal Descriptions

The Foothill Mall Urban Renewal Area is comprised of twelve (12) separate parcels. The perimeter boundary of the Foothill Mall Urban Renewal Area is depicted on the map on the following page. The legal descriptions for the twelve separate parcels were derived from the Larimer County Assessor's Office and are presented below:

LOT 1, REPLAT TR 'F', 'G' & 'J', AND VACATED SERVICE ROAD, SOUTHMOOR VILLAGE 5TH, FTC; LESS ROW PER 2001090658 & 2001090659

TR 1, THE FOOTHILLS FASHION MALL EXPANSION, FTC

TR 2, THE FOOTHILLS FASHION MALL EXPANSION, FTC

TR 3, THE FOOTHILLS FASHION MALL EXPANSION, FTC

TR 7, THE FOOTHILLS FASHION MALL EXPANSION, FTC

TR 8, THE FOOTHILLS FASHION MALL EXPANSION, FTC

TR 10, THE FOOTHILLS FASHION MALL EXPANSION, FTC

TR A, FOOTHILLS FASHION MALL FOLEY'S EXPANSION, FTC

TR B, FOOTHILLS FASHION MALL FOLEY'S EXPANSION, FTC

TR 'E', ALSO POR VAC ST PER 1580-897, SOUTHMOOR VILLAGE 5TH, FTC

PT TR T & TR U & PT VAC RD ADJ SD TR U, SOUTHMOOR VILLAGE 5TH FTC, DESC: BEG AT PT ON W LN SD TR T, WH BEARS S 1 57' E 7.19 FT, S 12 17' 30" W 180.1 FT FROM NW COR TR T, N 89 45' 30" E 243.55 FT TO PT ON NRLY LN E MONROE DR, S 51 45' W 231.73 FT, TH ALG ARC 193.41 FT RAD CUR R, 127.73 FT, L/C S 70 40' 7" W 125.42 FT, S 89 35' 15" W 137 FT, TH ALG ARC 15 FT RAD CUR R, 23.56 FT, L/C N 45 24' 45" W 21.21 FT, N 0 24' 45" W 169.17 FT, N 89 45' 30" E 210.1 FT TPOB

PT OF TR T, SOUTHMOOR VILLAGE, 5TH, FTC BEG AT NW COR TR T, N 89 45' 30" E 227 FT, S 74 54' E 170.06 FT, S 0 14' 30" E 24.45 FT TO PT ON N LN MONROE DR, TH ALG N LN ALG ARC 301.32 FT RAD CUR L, 124.25 FT, L/C S 63 33' 47" W 123.37 FT, S 51 45' W 95.97 FT, S 89 45' 30" W 243.55 FT, N 12 17' 30" E 180.1 FT, N 1 57' W 7.19 FT TPOB; ALSO PART TR U & PT VAC FRONTAGE ROAD ADJ TR U WH BEG AT NE COR TR U, S 1 57' E 7.19 FT, S 12 17' 30" W 180.1 FT, S 89 45' 30" W 210.1 FT TO PT ON E R/W S COLLEGE AVE, N 0 24' 45" W 183 FT, N 89 45' 30" E 249.52 FT TPOB, SOUTHMOOR VILLAGE 5TH; LESS THE FOOTHILLS FASHION MALL EXPANSION, FTC