

# THIS ITEM IS POSTPONED TO MAY 18, 2010

**DATE:** May 4, 2010  
**STAFF:** Christina Vincent

## AGENDA ITEM SUMMARY URBAN RENEWAL AUTHORITY

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### SUBJECT

Resolution No. 025 Approving a Financial Agreement Between the Fort Collins Urban Renewal Authority and Jax, Inc. for an Addition to an Existing Building at 1200 North College Avenue.

### EXECUTIVE SUMMARY

Jax Mercantile is expanding the east entrance at its 1200 North College Avenue location by 3,000 square feet and converting an existing warehouse of 9,000 square feet into additional retail space. This expansion/conversion will increase its retail sales space by approximately 25%. Jax is seeking Tax Increment Financing (TIF) for the street improvement cash-in-lieu obligations required of the applicant through the Development Review process. The TIF request is \$150,000, and financing costs total \$31,000. The total TIF request is \$181,000.

### BACKGROUND / DISCUSSION

Jax Mercantile has been an iconic destination location for outdoor surplus and goods for more than 55 years in Fort Collins. Its clientele includes northern Colorado as well as southern Wyoming. The current parcel has ample room to expand and allow future growth; however this project is mainly structured to re-use existing buildings and add several amenities to the campus. The project will create an indoor archery range and bow shop, and a court yard park abutting multiple buildings. This courtyard will include a small pond for boat and fly casting demonstrations, outdoor product education area, as well as a firepit for communal gatherings. These features will allow Jax to bring new product lines and additional features for the public to enjoy. Jax has also decided to increase its parking lot to the east and will significantly enhance the entrance by a new façade, similar to its location in Loveland.

The additional 3,000 square feet triggers the contribution of the parcel's local street portion as an infrastructure obligation for both College Avenue and the future Jerome Street. The College Avenue local street contribution is approximately \$40,000 for the street improvements only. Jerome Street requires additional funding, considering the road does not currently exist and does not have utility infrastructure (water/sewer/stormwater). The Jerome Street local street cash-in-lieu of construction contribution is approximately \$100,000. These numbers are approximate and will be finalized at issuance of the building permit. The applicant is seeking up to \$150,000 to be reimbursed from tax increment generated from the construction, without financing, to pay for these local street obligations at the west and east entrances.

Applicable URA goals:

- Encourage voluntary rehabilitation of buildings.
- Improve pedestrian, bicycle or vehicular circulation and safety.
- Infrastructure is extraordinary and unusually costly.
- Project is a "destination location" that will attract from outside the area.
- Retention and expansion of existing business.

This local business has been extremely successful in its current location. It is seeking additional ways to broaden the product offered to its customers. Additional features through this expansion will coincide with the URA's goals to support business retention and help expand its operations, adding more value to the economic base of the area. Furthermore, this business qualifies as a destination location within Fort Collins and Southern Wyoming.

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**FINANCIAL IMPACT**

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According to the Larimer County Assessor's office and the City's Finance department, a predicted value of the property taxes generated after the improvements will add \$656,000 into the URA plan area over the next 19 years. The applicant is seeking \$150,000 (\$181,000 with financing) from the total \$656,000. (Percentages are calculated in the attachments.)

The URA will need to initially borrow the funds to reimburse the applicant for the costs associated with the street improvement obligations. However, the URA will eventually seek a bond with the cumulative URA projects at the end of 2011. This project will break ground in a few weeks and the predicted completion time is the end of August 2010.

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**SUSTAINABILITY: ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS**

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A business with this outdoor niche and customer base is a positive contribution to the economic value of the community with an expansion and 25 percent more retail square footage. The property tax increment generated over 19 years will be \$656,000, as well as adding up to ten more local jobs into the economy. This is an effort to aid business retention efforts and assist the business to expand. These are primary Economic Development methods and objectives for both the City of Fort Collins and the URA.

Jax Mercantile has extensive sustainability savvy within its business practices which will continue through its expansion. The reuse of existing land and structures is the ultimate sustainability method that will occur with this development. The renovated building and 3,000 square foot addition will install energy efficient lighting fixtures (T-8 florescents) and insulate (high R value) what is now a metal side building. Additionally, Jax reuses surplus store fixtures, used furniture and equipment, recycled office paper and has multiple on-site recycling efforts. Jax also pays its employees \$1 per day to ride their bikes into work. Last year, Jax employees logged 19,835 miles. Ultimately, this has a direct and indirect positive effect on the local economy, positive influence on the health of Jax employees, and contributes to decreasing the vehicular trips on roads.

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**STAFF RECOMMENDATION**

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Staff recommends adoption of the Resolution.

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**PUBLIC OUTREACH**

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The North College Citizen's Advisory Group (CAG) recommends to the URA Board \$150,000 in Tax Increment Financing for the cash-in-lieu obligations for the street improvements related to College Avenue and future Jerome Street.

The project was discussed at the North Fort Collins Business Association (NFCBA), as well as the monthly CAG meetings. Additional public outreach for the project would be handled through the Development Review process.

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**ATTACHMENTS**

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1. Location map
2. URA application with renderings
3. Chart of Jax TIF
4. North College Citizen Advisory Group minutes, March 4, 2010.
5. Chart of all URA projects
6. Powerpoint presentation