

## Proposed building on Poudre receives financial boost

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### At a glance

- The proposal: A 37,000-square-foot, four-story building at 418 Linden St., featuring Encompass Technologies office space, a restaurant and apartments.
- The incentives: \$564,799 in tax increment financing for facade features, improvements in the public right of way, and stabilization of the nearby river bank; \$64,570 for street enhancements.
- Next steps: The proposal has undergone an initial evaluation by city planning staff and is headed toward an administrative hearing.

A proposed building that would bring a restaurant, apartments and office space to the banks of the Poudre River has received a financial boost from the Fort Collins Downtown Development Authority.

The DDA board on Thursday approved directing \$564,799 in tax increment financing toward the four-story building proposed by the software development company Encompass Technologies at 418 Linden St.

The money would help pay for facade features on the new building, improvements in the public right of way, and stabilization of the nearby river bank, which is owned by the city of Fort Collins.

The board also approved \$64,570 for the project that would be used for street enhancements along Linden Street in front of the property. That money would come from savings on a project that rebuilt Linden Street last year.

Board members voted unanimously to support the funding request from the building's developers.

Board member Janet Barnhall said the project was exciting and would do a lot for the area. But she questioned whether the DDA should direct so much money toward a single project given its tightening financial situation.

Perhaps some money should be held back for other projects, she said.

"Since our budget has contracted so much in the last few years, I think it would be wise of us to think that way," she said.

Staff members said they followed the agency's formula for handling funding requests in coming up with their recommendation. The developers could have asked for more than they did.

Rich Shannon of Pinnacle Consulting Group, a member of the project team, told board members the developers plan to spend more on riverbank improvements than originally projected.

The proposed 37,000-square-foot building is eligible for DDA support because it would be within the district's boundaries. The authority is funded through a tax levied on district properties.

DDA money for the improvements will come from tax revenue generated by the development. The increment is determined by how much additional tax revenue is brought in as property values increase above a base level.

The Encompass building, which would cost about \$9 million to construct, is expected to generate about \$1.2 million in additional tax revenue through 2031.

The project site next to the bridge that carries Linden Street across the Poudre is known as Block 1, which was its designation in the original plat of the city.

The property is in the city's fledgling River District, a largely industrial area city officials hope will redevelop in the years to come and attract a variety of commercial uses, including restaurants and art galleries.

The environmental group Save the Poudre has raised concerns about the project and its potential impacts on the river and its wildlife. The group has said it plans to contest the proposal as it goes through the city's development review process.

The project has gone through an initial evaluation by the city's planning staff and eventually will go to an administrative hearing, Shannon said.

If the proposal is approved, the decision could be appealed to the City Council, a process that would add time and expense to the project, he said.

Board member Patty Spencer said the building would be a flagship project for the River District. Since the DDA has directed so much funding toward the project, it should "expect excellence" and be informed if cost issues change the project, she said.

"I think that if there are major changes ... we have a right to review those and see if things are going in the direction we want them to," she said.