



# Town of Johnstown

## TOWN COUNCIL WORK SESSION COMMUNICATIONS

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**AGENDA DATE:** August 30, 2021

**SUBJECT:** Updated Economic Analysis RE: Johnstown Plaza

**ACTION PROPOSED:** Provide direction to move forward with Economic Analysis for Ledge Rock Center

**ATTACHMENTS:** EPS Report: Johnstown Plaza Economic Impact Analysis

**PRESENTED BY:** Matt LeCerf, Town Manager  
Sarah Crosthwaite, Economic Development Manager  
Dan Guimond, Tim Morzel, and Rachel Shindman, EPS Staff

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### AGENDA ITEM DESCRIPTION:

Enclosed for your review is EPS's report regarding updated fiscal and economic impacts of the Johnstown Plaza development. This analysis was required by the MOU executed in May 2021 between the Town of Johnstown and The Plaza of JC, LLC, which is the developer of Johnstown Plaza. The developer is currently exploring a new project called Ledge Rock Center, located at the southeast corner of Hwy 60 and I-25, that would consist of commercial, single family, and multi-family development.

The developer has indicated they would like to refinance the existing 2016 JPMD bonds and submit for additional reimbursement of expenses at Johnstown Plaza. The developer would like to utilize the costs savings from refinancing the bonds and funds of the additional expense reimbursements to fund public improvements at the proposed new project.

Part of the Town's due diligence in adding additional debt to Johnstown Plaza and determining the feasibility of the proposed new project is to first examine the economic impact of Johnstown Plaza on the Town and the sustainability of issuing new debt.

The EPS report took into account the existing economic analysis of Johnstown Plaza that was conducted in 2015 and updated costs and revenues to the Town from Johnstown Plaza. Additionally, EPS explored 3 scenarios regarding the existing 2016 JPMD bonds. The first scenario explored leaving the existing 2016 JPMD bonds as is without refinancing or adding additional debt. The second scenario explored refinancing the existing 2016 JPMD bonds with no new additional debt. The third scenario explored refinancing the existing 216 JPMD bonds and issuing an additional \$9.3 million in debt to cover eligible public improvement expenses.

Town Staff would like Council to consider the results of the EPS report and provide direction as to whether to move forward with a second analysis specific to Ledge Rock Center. The execution of the agreement to perform this phase can be handled administratively. Should the Town move forward with an economic analysis for Ledge Rock Center specific to the proposed commercial development the developer will need to provide a Project Summary which includes:

- Description of types of uses for the project

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- Proposed square footage of new retail use
- Estimated revenue generation
- Illustration of the project layout
- Estimate and general description of the public improvement costs required to support the project
- Timeline for the development
- Absorption of the uses proposed within the project
- Information regarding the organization of one or more new metro districts
- Financing plan for the new public debt
- Other critical path elements for the project.

With Council direction and a complete Project Summary, Town Staff will engage with EPS to begin the economic analysis for Ledge Rock Center which take approximately 60 days to complete. The analysis will include impact of Town services to the development, potential revenue, community impact, an evaluation of requested incentives including the town parcel (*currently owned by Kerr-McGee Oil & Gas Onshore LP, approximately 48.96 acres*) that is set to be conveyed to the developer, and assessment of the developer's proposed finance structure for the project.

The findings of the analysis will provide the Town direction on whether to proceed with the development of Ledge Rock Center.

***Reviewed and Approved for Presentation,***



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Town Manager

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