



Town of Johnstown

TOWN COUNCIL AGENDA COMMUNICATIONS

AGENDA DATE: August 29, 2022

SUBJECT: Developer Contribution Agreement with attached Covenants
Securing Funding Commitment

ACTION PROPOSED: Consider the Developer Contribution Agreement

ATTACHMENTS: 1. Developer Contribution Agreement

PRESENTED BY: Matt LeCerf, Town Manager, Avi S. Rocklin, Town Attorney, Elisabeth Cortese, Special Counsel

AGENDA ITEM DESCRIPTION: Enclosed for review and consideration is the Developer Contribution Agreement (“Agreement”) between the Town of Johnstown (“Town”) and Ledge Rock Center, LLC (“Developer”). The Developer is the owner of land known as Lot 8 and Tract F, East Ledge Rock Center Subdivision Filing No. 2 (“Property”). The Developer is developing the Property as the Ledge Rock Center Multifamily South development, which is anticipated to contain, subject to final development approvals, apartment buildings and a clubhouse. The Ledge Rock Center Multifamily South development is part the larger Ledge Rock project, which is anticipated to contain a destination retail shopping center with approximately 785,000 square feet of new retail uses, known as Ledge Rock Center Commercial (“Commercial Project”). The Town obtained an analysis from Economic & Planning Systems, Inc., a California corporation, projecting that the Commercial Project will provide substantial economic benefits to the Town. To facilitate the development of the Ledge Rock Center and subject to the terms of a Water and Sewer Service Agreement executed by the Parties contemporaneously herewith, the Developer has requested that the Town permit the Developer to use water from the Town’s share of water supplies at the fair market value to serve the Property. The Town has an available supply of water to serve the Property.

In consideration of the Town’s agreement to sell raw water to the Developer, the Developer agrees to contribute funds toward the construction and completion of the Commercial Project. The precise dollar amount of the Developer contribution will not be known until the Ledge Rock Center Commercial Metropolitan District issues bonds, but is estimated to be approximately \$13,400,000. The amount of the funding requirement is referenced in the Agreement as the Developer Shortfall Funding Advance, and is more particularly described in the Second Amended and Restated Development and Reimbursement Agreement for Ledge Rock Center. The Agreement provides that the Developer Shortfall Funding Advance will be deposited into the Developer Funds Account, created by the Amended and Restated Escrow Agreement, on or before the earlier to occur of the following: (i) the sale of the Property or any portion thereof to a third-party; (ii) the refinancing of the Property; or (iii) June 1, 2023.

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Attached to the Agreement are Covenants Securing Funding Commitment (“Covenants”). If the Agreement is approved, the Covenants will be recorded against the Property.

LEGAL ADVICE:

The Town Attorney and Special Counsel prepared the Developer Contribution Agreement.

FINANCIAL ADVICE:

N/A

RECOMMENDED ACTION: Approve the Developer Contribution Agreement.

SUGGESTED MOTIONS:

For Approval: I move to approve the Developer Contribution Agreement, as may be amended by the Town Manager and Town Attorney, without modifying the substance, and authorize the Mayor to sign the final form of agreement and the Covenants Securing Funding Commitment.

For Denial: I move to deny approval of the Developer Contribution Agreement.

Reviewed and Approved for Presentation,



Town Manager