



Town of Johnstown

TOWN COUNCIL AGENDA COMMUNICATIONS

AGENDA DATE: September 8, 2021

SUBJECT: **Public Hearing** – Resolution Approving the Service Plan for Ledge Rock Center Residential Metropolitan District No. 2

ACTION PROPOSED: Consider Resolution No. 2021-30

ATTACHMENTS:

1. Proposed Service Plan
2. Executive Summary prepared by David O’Leary, counsel for the Developer
3. Resolution Approving the Service Plan for Ledge Rock Center Residential Metropolitan District No. 2

PRESENTED BY: Town Attorney, Avi Rocklin, and Special Counsel, MaryAnn McGeady

AGENDA ITEM DESCRIPTION:

An application for approval of a Service Plan for the Ledge Rock Center Residential Metropolitan District No. 2 (“Service Plan”) was submitted on behalf of Ledge Rock Center, LLC, a Kansas limited liability company (“Developer”), pursuant to the requirements of the Special District Control Act, Title 32, Article 1, Part 2, C.R.S. The Service Plan was submitted in connection with a development known as Ledge Rock Center, generally located east of U.S. Interstate 25 and south of Highway 60/County Road 48 (“Property”). The Ledge Rock Center development is anticipated to include commercial development, multi-family development and single-family residential homes. The service area of the proposed District includes the single-family portion of the Ledge Rock Center development. The Developer is under contract to purchase the Property. The owners of the Property provided consent to the organization of the District, as evidenced in Exhibit C-3 to the Service Plan.

To satisfy the statutory requirements, the Service Plan includes (1) a description of the proposed services, (2) a financial plan as to how the services are to be financed, (3) a preliminary engineering or architectural survey showing how the proposed services are to be provided, (4) a map of the proposed boundaries of the District, (5) an estimate of the population and valuation for assessment of the proposed district, (6) a description of the facilities to be constructed and the standards for construction, (7) a general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the District, and (8) a proposed intergovernmental agreement between the Town and the District.

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The service area for the proposed Ledge Rock Center Residential Metropolitan District No. 2 (“District”) includes approximately 61.336 acres of land with an anticipated 175 single-family residential units.

The Service Plan is generally consistent with the Model Service Plan adopted by Town Council on February 22, 2017.

The maximum debt mill levy is 40 mills and the maximum operations and maintenance mill levy is 10 mills. The mill levies are subject to an assessed valuation adjustment, meaning, primarily, that if the residential assessment rate is changed (the ratio of assessed valuation to actual valuation), the mill levy may be increased above the cap so that the rate change is revenue neutral to the District.

The maximum term for developer debt is 20 years from the initial imposition of an ad valorem property tax, unless the Town approves a longer term by intergovernmental agreement, and 40 years for all other debt.

The capital plan, attached as Exhibit E to the Service Plan, estimates public improvement project costs of approximately \$6,899,428. Given the timing of the submittals, Greg Weeks, the Town’s Engineer, did not have an opportunity to review the capital plan.

The financial plan, attached as Exhibit F to the Service Plan, provides that the District will have the ability to issue debt in the amount of \$3,232,000, which is anticipated to generate approximately \$1,997,567 in net proceeds to the project. The maximum debt authorization under the Service Plan is \$3,900,000.

Importantly, the District is not entitled to issue any debt until an Amended and Restated Service Plan is presented to and approved by the Town Council. The methodology allows the Developer to form the District during the November election but provides the Town Council with an opportunity to review and, if appropriate, modify the terms of the Service Plan once the development plans are better understood.

Pursuant to state law, the Town Council must approve the Service Plan before the District is formed and entitled to operate. The Service Plan must be approved through a public hearing process. Upon approval, the Service Plan, along with a petition for organization of the District, must be submitted to the Weld County District Court, who will then hold a hearing on the petition and order an election regarding the organization of the District. Notice of this public hearing before the Town Council was published in *The Johnstown Breeze* and provided to interested persons by the proponents of the District.

LEGAL ADVICE:

The Town Attorney and the Town’s Special Counsel have reviewed the proposed Service Plan.

FINANCIAL ADVICE :

The Town’s Special Counsel has reviewed the financial plan.

RECOMMENDED ACTION: Approve Resolution No. 2021-30

SUGGESTED MOTIONS:

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For Approval: I move to approve Resolution No. 2021-30, a Resolution Approving the Service Plan for Ledge Rock Center Residential Metropolitan District No. 2.

For Approval with Conditions: I move to approve Resolution No. 2021-30, a Resolution Approving the Service Plan for Ledge Rock Center Residential Metropolitan District No. 2, with the following modifications to the proposed Service Plan, _____, and direct the Town Attorney to revise the Service Plan accordingly.

For Denial: I move to deny approval of Resolution No. 2021-30, a Resolution Approving the Service Plan for Ledge Rock Center Residential Metropolitan District No. 2.

Reviewed and Approved for Presentation,



Town Manager

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