



Town of Johnstown

TOWN COUNCIL AGENDA COMMUNICATIONS

AGENDA DATE: December 21, 2020

SUBJECT: Second Amendment of Water Sewer Service Agreement

ACTION PROPOSED: Consider Approval of the Second Amendment of the Water Sewer Service Agreement

ATTACHMENTS: 1. Second Amendment of the Water Sewer Service Agreement

PRESENTED BY: Matt LeCerf, Town Manager

AGENDA ITEM DESCRIPTION:

On June 6, 2016, the Town and Johnstown Plaza, LLC entered into a Water and Sewer Service Agreement (“WSSA”) for property being developed as a Shopping Center. Based on the significant economic benefits, the Town agreed to allow the developer to pay cash-in lieu of water dedication for the Shopping Center. The Town set aside 4.5 shares of the Consolidated Home Supply Ditch and Reservoir Company (“Home Supply”) and created the Johnstown Plaza Water Bank. The WSSA provided that the Johnstown Plaza Water Bank would terminate on December 31, 2018. Prior to the expiration of the existing WSSA, the developer requested that the Town extend the Johnstown Plaza Water Bank for an additional two years and recognized that the water demand was less than originally anticipated. On January 23, 2019, Town Council approved the First Amendment to the WSSA, extending the Johnstown Plaza Water Bank to and including December 31, 2020, and reduced the amount of water set aside to 2.5 shares of Home Supply.

With the December 31, 2020 deadline approaching, Johnstown Plaza, LLC is again requesting an extension of the Water Sewer Service Agreement. Currently remaining in the allocation since the last amendment is 6.48 acre-feet of water. Based on the attached Second Amendment this agreement would extent out until December 31, 2021 and Johnstown Plaza would have until that time to complete the commercial shopping center development to its full build out.

LEGAL ADVICE:

This second amendment presented was drafted by the Town Attorney.

The Community That Cares

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FINANCIAL ADVICE:

The Town does sell the shares of Home Supply under this agreement at a slight discount, but the overall financial benefit the commercial development revenue, outweighs the discount applied on a per share basis. Based on this transaction in general, the Town benefits financially.

RECOMMENDED ACTION:

Approve the Second Water Sewer Service Agreement Amendment

Reviewed and Approved for Presentation,

Town Manager