



# Town of Johnstown

## TOWN COUNCIL AGENDA COMMUNICATIONS

---

**AGENDA DATE:** April 18, 2022

**SUBJECT:** **Public Hearing - First Reading** – Ordinance 2022-231, An Ordinance Amending the Town of Johnstown Municipal Code Concerning Town Sales Taxes to Provide a Credit Against Sales Tax if a Certain Public Improvements Fee Has Been Paid in Connection with the Development Known as Ledge Rock Center

**ACTION PROPOSED:** Consider First Reading of Ordinance No. 2022-231

**ATTACHMENTS:** 1. Ordinance No. 2022-231

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

---

**AGENDA ITEM DESCRIPTION:** Ledge Rock Center, LLC (“Developer”) has requested that the Town cooperate in the development of Ledge Rock Center Commercial, a commercial retail center to be located at the southeast corner of Interstate 25 and State Highway 60, by providing a two-percent sales tax credit against taxable transactions occurring within the property. The tax credit, known as a credit public improvements fee, or Credit PIF, will be used to repay bonds that will be issued by the Ledge Rock Center Commercial Metropolitan District (“District”) to finance public improvements. The terms and obligations related to the Credit PIF are set forth in the Development and Reimbursement Agreement, Ledge Rock Center Commercial, Johnstown, Colorado, executed by and among the Town, the Developer and the District, and effective on or about February 18, 2022. The tax credit will terminate upon the earlier of the following: (i) December 1, 2051 or (ii) the District’s repayment in full of all of the bonds.

To implement the tax credit procedure, a covenant will be recorded against the property, known as a PIF Covenant, providing that retailers are entitled to the sales tax credit on the condition that the funds, which would otherwise be due to the Town, are paid to a collecting agent, known as the PIF Collecting Agent. The PIF Collecting Agent will then transfer the funds to the bond trustee for payment of the bonds.

To obtain assurance of the Town’s intent and allow the District to issue bonds, the Developer has requested that the Town adopt this Ordinance prior to retail development at the property. The Ordinance, and thus the Credit PIF, will not be effective until March 1, 2023, and will only be effective if the PIF Covenant is recorded against the property by that date.

*The Community That Cares*

[www.TownofJohnstown.com](http://www.TownofJohnstown.com)

P: 970.587.4664 | 450 S. Parish Ave, Johnstown CO | F: 970.587.0141

**LEGAL ADVICE:**

The Town Attorney and Special Counsel prepared Ordinance No. 2022-231.

**FINANCIAL ADVICE:**

N/A

**RECOMMENDED ACTION:** Approve Ordinance No. 2022-231

---

**SUGGESTED MOTIONS:**

**For Approval:** I move to approve Ordinance No. 2022-231, an Ordinance Amending the Town of Johnstown Municipal Code Concerning Town Sales Taxes to Provide a Credit Against Sales Tax if a Certain Public Improvements Fee Has Been Paid in Connection with the Development Known as Ledge Rock Center.

**For Denial:** I move to deny approval of Ordinance No. 2022-231.

*Reviewed and Approved for Presentation,*



\_\_\_\_\_  
Town Manager