



Town of Johnstown

TOWN COUNCIL AGENDA COMMUNICATIONS

- AGENDA DATE:** April 18, 2022
- SUBJECT:** First Amendment to Development and Reimbursement Agreement, Ledge Rock Center Commercial, Johnstown, Colorado, with attached Ledge Rock Water and Sewer Pipeline Escrow Agreement
- ACTION PROPOSED:** Consider First Amendment to Agreement and attached Escrow Agreement
- ATTACHMENTS:**
1. First Amendment to Development and Reimbursement Agreement, Ledge Rock Center Commercial, Johnstown, Colorado
 2. Ledge Rock Water and Sewer Pipeline Escrow Agreement
- PRESENTED BY:** Avi Rocklin, Town Attorney
MaryAnn McGeady, Special Counsel
Matt LeCerf, Town Manager

AGENDA ITEM DESCRIPTION:

On January 3, 2022, the Town, Ledge Rock Center, LLC (“Ledge Rock Developer”) and Ledge Rock Center Commercial Metropolitan District (“Ledge Rock District”) entered into the Development and Reimbursement Agreement, Ledge Rock Center Commercial, Johnstown, Colorado (“Agreement”) related to the Town’s cooperation 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 (“Ledge Rock Project”). Pursuant to the Agreement, as also set forth in the Second Amendment to the Comprehensive Development Agreement, Funding Plan and Intergovernmental Agreement for Johnstown Plaza, Johnstown, Colorado between the Town, the Johnstown Plaza Metropolitan District (“JP District”) and Johnstown Plaza, LLC (“JP Developer”) effective December 13, 2021, the Town recognized and agreed that, in refinancing the JP District’s bonds, the JP District would be entitled to issue additional bonds to pay for the JP Developer’s unreimbursed verified eligible costs. The parties agreed that the additional funds, referred to as the JP Developer Contribution, would be used to pay for the cost of public improvements associated with the Ledge Rock Project. On April 7, 2022, the JP District refinanced its bonds and received bond funds totaling approximately \$5,888,659 for the JP Developer Contribution.

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Per the Agreement, the JP Developer Contribution was to remain in the Johnstown Plaza project fund and only release to the Ledge Rock District when the Ledge Rock District issued bonds. If the Ledge Rock District did not issue bonds, the JP Developer Contribution was to be used to repay the Johnstown Plaza bonds.

Rather than wait for the issuance of the Ledge Rock bonds, the Ledge Rock District and the Ledge Rock Developer have requested that the Town execute the proposed First Amendment to Development and Reimbursement Agreement, Ledge Rock Center Commercial, Johnstown, Colorado (“First Amendment”) and authorize the release of the JP Developer Contribution prior to the bond issuance in order to pay for public improvement costs associated with water and sewer pipelines to be installed at the Ledge Rock Project.

If the Town Council approves the First Amendment, the proposal is that the JP Developer Contribution would be deposited into a newly created escrow account, to be known as the Ledge Rock Water and Sewer Pipeline Escrow Account, pursuant to a separate Ledge Rock Water and Sewer Pipeline Escrow Agreement. A copy of the Ledge Rock Water and Sewer Pipeline Escrow Agreement is attached as Exhibit A to the First Amendment. The JP Developer Contribution would thereafter be released to the Ledge Rock District to pay verified eligible public improvements costs associated with the sewer and water pipelines for the Ledge Rock Project.

LEGAL ADVICE:

The Town Attorney and the Town’s Special Counsel, MaryAnn McGeady, prepared the First Amendment to Development and Reimbursement Agreement, Ledge Rock Center Commercial, Johnstown, Colorado and the Ledge Rock Water and Sewer Pipeline Escrow Agreement.

FINANCIAL ADVICE:

If the Ledge Rock District does not issue bonds, the JP Developer Contribution will be used to pay for public improvements associated with the Ledge Rock Project and will not be used to repay the Johnstown Plaza bonds.

RECOMMENDED ACTION: Approve the First Amendment to Development and Reimbursement Agreement, Ledge Rock Center Commercial, Johnstown, Colorado and the Ledge Rock Water and Sewer Pipeline Escrow Agreement.

SUGGESTED MOTIONS:

For Approval: I move to approve the First Amendment to Development and Reimbursement Agreement, Ledge Rock Center Commercial, Johnstown, Colorado, and the attached Ledge Rock

Water and Sewer Pipeline Escrow Agreement, and authorize the Mayor to execute both agreements.

For Denial: I move to deny approval of the First Amendment to Development and Reimbursement Agreement, Ledge Rock Center Commercial, Johnstown, Colorado.

Reviewed and Approved for Presentation,



Town Manager

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