



# Town of Johnstown

## TOWN COUNCIL AGENDA COMMUNICATIONS

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**AGENDA DATE:** June 7, 2021

**SUBJECT:** **Public Hearing** – Resolution Approving the Amended and Restated Service Plan for High Plains Metropolitan District No. 2 and Consolidated Service Plan for Revere at Johnstown Metropolitan District Nos. 2-9

**ACTION PROPOSED:** Consider Resolution No. 2021-17

**ATTACHMENTS:**

1. Proposed service plan
2. Special counsel's memorandum regarding the service plan
3. Financial consultant's memo regarding the financial plan
4. Resolution Approving the Amended and Restated Service Plan for High Plains Metropolitan District No. 2 and Consolidated Service Plan for Revere at Johnstown Metropolitan District Nos. 2-9

**PRESENTED BY:** Town Attorney, Avi Rocklin, Special Counsel, Carolyn Steffl of Moses, Wittemyer, Harrison & Woodruff, P.C., and Financial Advisors, Alan Matlosz and Stacey Berlinger of Stifel, Nicolaus & Company, Inc.

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### AGENDA ITEM DESCRIPTION:

An application for approval of an Amended and Restated Service Plan for High Plains Metropolitan District No. 2 and Consolidated Service Plan for Revere at Johnstown Metropolitan District Nos. 2-9 (collectively, "Service Plan") was submitted on behalf of Forestar (USA) Real Estate Group, Inc., a Delaware corporation, and Platte Land & Water, LLC, a Delaware limited liability company, the owners of the property, 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 Revere at Johnstown, generally located just east side of U.S. Interstate 25 on the north and south sides of Weld County Road 50 and Larimer County Road 14 ("Property"). The Property is part of previously formed metropolitan districts, the High Plains Metropolitan Districts Nos. 1-4, but has been excluded from High Plains Metropolitan Districts Nos. 1, 3 and 4. The development is subject to an Annexation Agreement, an approved Outline Development Plan and a Preliminary and Final Subdivision Plat and Development Plan for Revere at Johnstown, Filing No. 1, approved on or about April 19, 2021.

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

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survey showing how the proposed services are to be provided, (4) a map of the proposed boundaries of the districts, (5) an estimate of the population and valuation for assessment of the proposed districts, (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 districts, and (8) a proposed intergovernmental agreement.

The service area for the proposed High Plains Metropolitan District No. 2 and Revere at Johnstown Metropolitan District Nos. 2-9 (“Districts”), including the initial boundaries and subsequent inclusion area boundaries, consists of approximately 448 acres. The anticipated population of the Districts at full development is approximately 5,000 people.

The Service Plan is generally consistent with the Model Service Plan adopted by Town Council on February 22, 2017. Please see special counsel’s memorandum to understand the differences.

The maximum 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 Districts.

The maximum term for imposition of a debt mill levy is twenty years for developer debt from the initial imposition of an ad valorem property tax by a particular district, unless the Town approves a longer term by intergovernmental agreement, and forty years for all debt, except that, if a majority of the board of directors of a district is composed of end users (any owner, tenant or occupant of any taxable Residential Property or Commercial Property), the board may approve a longer term for a refinancing.

The capital plan, attached as Exhibit E to the Service Plan, estimates public improvement project costs of approximately \$232,862,393. The capital plan was reviewed by Greg Weeks, the Town’s Engineer, who found that the preliminary estimates of cost are reasonable.

The financial plan, attached as Exhibit F to the Service Plan, provides that the Districts will have the ability to issue debt in the amount of \$206,030,000. The maximum debt authorization under the Service Plan is \$192,848,687, or \$206,363,487 if the Districts are required to finance an sanitary sewer interceptor and build a water tower. Please see special counsel’s memorandum for more detail on this issue.

Prior to the issuance of any debt, the Districts are required to submit a resolution from the issuing district approving the debt issuance, setting forth the parameters of the issuance, to the Town. Subsequent to issuance of the debt, the issuing district is required to provide the Town with bond counsel’s opinion letter, a certification from the district that the debt issuance complies with the terms of the Service Plan and a copy of the marketing documents associated with the debt. Consistent with the Model Service Plan, the Districts are entitled to impose a one-time development fee to fund the Districts expenses.

Pursuant to state law, the Town Council must approve the Service Plan before the Districts are formed and entitled to operate. The Service Plan must be approved through a public hearing process. Upon approval,

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the Service Plan, along with a petition for organization of the Districts, 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 Districts. 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 Districts.

**LEGAL ADVICE:**

The Town attorney and the Town's special counsel have reviewed the proposed Service Plan.

**FINANCIAL ADVICE :**

The Town's financial advisor has reviewed the financial plan.

**RECOMMENDED ACTION:** Approve Resolution No. 2021-17

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**SUGGESTED MOTIONS:**

**For Approval:** I move to approve Resolution No. 2021-17, a Resolution Approving the Amended and Restated Service Plan for High Plains Metropolitan District No. 2 and Consolidated Service Plan for Revere at Johnstown Metropolitan District Nos. 2-9.

**For Approval with Conditions:** I move to approve Resolution No. 2021-17 a Resolution Approving the Amended and Restated Service Plan for High Plains Metropolitan District No. 2 and Consolidated Service Plan for Revere at Johnstown Metropolitan District Nos. 2-9, 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. 2021-17, a Resolution Approving the Amended and Restated Service Plan for High Plains Metropolitan District No. 2 and Consolidated Service Plan for Revere at Johnstown Metropolitan District Nos. 2-9.

*Reviewed and Approved for Presentation,*



Town Manager

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