



Town of Johnstown

TOWN COUNCIL CONSENT AGENDA COMMUNICATIONS

AGENDA DATE: December 13, 2021

SUBJECT: Second Amendment to the Comprehensive Development Agreement, Funding Plan and Intergovernmental Agreement for Johnstown Plaza, Johnstown, Colorado

ACTION PROPOSED: Consider Agreement

ATTACHMENTS: 1. Second Amendment to the Comprehensive Development Agreement, Funding Plan and Intergovernmental Agreement for Johnstown Plaza, Johnstown, Colorado

PRESENTED BY: Matt LeCerf, Town Manager
Avi Rocklin, Town Attorney

AGENDA ITEM DESCRIPTION:

On February 18, 2016, the Town of Johnstown (“Town”), Johnstown Plaza, LLC (“Developer”), and the Johnstown Plaza Metropolitan District (“District”) entered into the Comprehensive Development Agreement, Funding Plan and Intergovernmental Agreement for Johnstown Plaza, Johnstown, Colorado (“Agreement”) for the purpose of setting forth, among other matters, the terms and conditions relating to the financing of the Johnstown Plaza commercial project. The Agreement provides that, for the first phase of the project, the District was entitled to issue bonds to produce net proceeds of up to \$65,000,000. The District was thereafter only entitled to use those proceeds to fund verified eligible costs related to the acquisition of land and the funding of public improvements. The District has issued the maximum amount of bonds.

Because of the historically low interest rates, the District desires to refinance the bonds. As a part of the refunding, the District desires to issue bonds that exceed the original cap amount to reimburse the Developer for remaining public improvement costs that are eligible to be reimbursed by the District in the net amount up to \$7,000,000 (“New Money Bonds”). The New Money Bonds will be released after execution by the Town, the Ledge Rock Center Commercial Metropolitan District and Ledge Rock Center, LLC of a Development and Reimbursement Agreement and Escrow Agreement for Ledge Rock Center, upon mutually agreed upon terms and for mutually agreed upon purposes. If the Ledge Rock Center Commercial project does not move forward by

The Community That Cares

www.TownofJohnstown.com

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

October 3, 2022, the New Money Bonds will be used to prepay the principal on the Johnstown Plaza bonds.

To effectuate the foregoing, the Second Amendment to the Comprehensive Development Agreement, Funding Plan and Intergovernmental Agreement for Johnstown Plaza, Johnstown, Colorado is attached for the Town Council's consideration.

LEGAL ADVICE:

The Town Attorney and the Town's Special Counsel, MaryAnn McGeady, prepared the Second Amendment to the Comprehensive Development Agreement, Funding Plan and Intergovernmental Agreement for Johnstown Plaza, Johnstown, Colorado.

FINANCIAL ADVICE:

Refunding the Johnstown Plaza bonds will result in a net savings due to the lower interest rates. The cost of issuing the New Money Bonds, if the Ledge Rock Center Commercial project does not move forward, is approximately \$500,000.

RECOMMENDED ACTION: Approve the Second Amendment to the Comprehensive Development Agreement, Funding Plan and Intergovernmental Agreement for Johnstown Plaza, Johnstown, Colorado.

SUGGESTED MOTIONS:

For Approval: I move to approve the Second Amendment to the Comprehensive Development Agreement, Funding Plan and Intergovernmental Agreement for Johnstown Plaza, Johnstown, Colorado, and authorize the Mayor to execute the agreement.

For Denial: I move to deny approval of the Second Amendment to the Comprehensive Development Agreement, Funding Plan and Intergovernmental Agreement for Johnstown Plaza, Johnstown, Colorado.

Reviewed and Approved for Presentation,



Town Manager

The Community That Cares

www.TownofJohnstown.com

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