

Mayor and Council Communication

DATE: 03/25/25

M&C FILE NUMBER: M&C 25-0252

LOG NAME: 17LA GRAN PLAZA CONSENT TO ASSIGNMENT

SUBJECT

(CD 11) Authorize Execution of Consent to Assignment for Security Purposes of Economic Development Program Agreement Between City of Fort Worth, Town Center Mall, L.P., and Ladder Capital Finance LLC, Ladder Capital Finance I LLC, Ladder Capital Finance II LLC and Ladder Capital Finance III LLC

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a Consent to Assignment for Security Purposes of Economic Development Program Agreement between City of Fort Worth, Town Center Mall, L.P., and Ladder Capital Finance LLC, Ladder Capital Finance I LLC, Ladder Capital Finance II LLC and Ladder Capital Finance III LLC.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to authorize the execution of a Consent to Assignment for security purposes of Economic Development Program Agreement (EDPA) between the City of Fort Worth, Town Center Mall, L.P (Town Center), and Ladder Capital Finance LLC, Ladder Capital Finance I LLC, Ladder Capital Finance II LLC and Ladder Capital Finance III LLC (Ladder Capital).

On June 7, 2005, (City Secretary Contract No. 32176, M&C C-20783) the City Council approved a 20-year EDPA with Town Center to make various improvements to property currently in the City known as La Gran Plaza and to use best efforts to cause provision of new jobs on the property. In return, the City has agreed to pay Town Center economic development grants, as authorized by Chapter 380, Texas Local Government Code.

On May 3, 2015, the City Council approved M&C C-27276, which authorized Town Center to obtain a loan from Ladder Capital Finance LLC, Ladder Capital Finance I LLC, Ladder Capital Finance II LLC and Ladder Capital Finance III LLC in order to refinance the existing loan on La Gran Plaza. As partial collateral for such loan, Ladder Capital requested that Town Center assign its rights and title in the Economic Development Program Agreement to Ladder Capital. Section 13 of the Economic Development Program Agreement prohibits Town Center from assigning, transferring or otherwise conveying any of its rights or obligations under the EDPA to another party without obtaining the prior written consent of the City. The proposed Consent to Collateral Assignment document also prohibited Ladder Capital from assigning the Agreements to a new buyer without the City Council's approval.

The developer now wishes to obtain a loan from lender in order to refinance the existing loan on the property. As security for the loan, certain agreements between developer and lender governing the loan and dated March 6, 2025, including, but not limited to, that certain loan agreement, promissory note, deed of trust, assignment of leases and rents, security instrument and fixture filing, and assignment of lease and rents (collectively, the Loan Documents) require that developer assign, transfer and convey to lender all of developer's rights, interest in and to the EDPA until such time as developer has fully satisfied all duties and obligations set forth in the Loan Documents that are necessary to discharge lender's security interest in the EDPA (Assignment).

The approval of this M&C would mean that the City is willing to consent to the Assignment specifically in accordance with the terms and conditions of this Consent.

The project is located in COUNCIL DISTRICT 11.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of this recommendation will have no material effect on City funds.

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