

Mayor and Council Communication

DATE: 02/11/25

M&C FILE NUMBER: M&C 25-0104

LOG NAME: 17TRINITYBLUFFAMENDMENT

SUBJECT

(CD 9) Authorize the Execution of an Amendment to City Secretary Contract No. 35326 and Termination of City Secretary Contract No. 35327, Economic Development Program Agreements, by BSPRT CRE Finance, LLC or an Affiliate for the Purpose of the Parcel Located at 520 Samuels Ave. Being Sold to a Third Party

RECOMMENDATION:

It is recommended that the City Council authorize the amendment of City Secretary Contract No. 35326 and termination of City Secretary Contract No. 35327, Economic Development Program Agreements, by BSPRT CRE Finance, LLC or an affiliate for the purpose of the parcel located at 520 Samuels Ave. being sold to a third party.

DISCUSSION:

On July 25, 2006, the City authorized the execution of Economic Development Program Agreements (EDPAs) with Trinity Bluff Development, Ltd. for downtown residential projects (City Secretary Contract Nos. 34173 and 34174, Mayor and Council Communication (M&C) C-21586). Under the proposed EDPAs, Trinity Bluff Development, Ltd., working with Lincoln Property Southwest, Inc. (collectively, Developer), committed to construct two apartment complexes, with approximately 490 units for lease with 5% of the apartments set aside for lease at affordable rates to qualifying households earning no more than 80% of the area median income, per HUD standards, (collectively, Development).

On May 15, 2007, the City authorized the execution of Amended and Restated EDPAs with Trinity Bluff Development, Ltd. to allow for changes in the project's scope and provide for changes in the amount of grants payable by the City to the Developer under the agreements (City Secretary Contract No. 35326 and 35327, M&C C-22121). The authorized amendments replaced the originally approved agreements. On May 30, 2007, Trinity Bluff Development, Ltd., assigned all of its rights and obligations under the agreements to LPC Trinity Parks LP, which is an affiliate of Lincoln Property Company Southwest, Inc. On October 6, 2009, the City authorized amendments to the EDPAs (City Secretary Contract Nos. 35326-A1 and 35327-A1, M&C 23823), to modify the deadlines for the completion of the private improvements that are required under those Agreements in order to receive certain economic development grants from the City.

On March 15, 2014, the City authorized Consents to Assignment with LPC Trinity Parks LP assigning all of its rights and obligations under the agreements to SWF Trinity Bluff, LLC or one of its affiliates and Consents to Collateral Assignment with Metropolitan Life Insurance (City Secretary Contract Nos. 35326-CA-1, 35326-CA-2, 35327-CA-1, and 35327-CA-2, M&C C-26763). In March 2021, SWF Trinity Bluff, LLC approached the City about its desire to assign the agreements to S2 Trinity Bluff, LLC or an affiliate. The Developer had constructed all the required improvements, but had not completed all of the additional investment necessary to obtain the full amounts of the Program Grants under the agreements. The purchaser was required to meet all ongoing obligations of the Developer under the agreement. The City continued to receive the public benefits resulting from development of this project and any additional assignments of the agreement would have to be approved by City Council.

On May 4, 2021, the City Council authorized M&C 21-0310, authorizing a consent to assignment by SWF to S2 Trinity Bluff, LLC. Subsequently, S2 Trinity Bluff changed its name to BGO-S2 Trinity Bluffs Owner, LLC. As a result of the pending sale, the mortgage lender requested Consents to Assignments for Security Purposes of the EDPAs.

On June 8, 2021, the City Council authorized M&C 21-0385, ratifying the execution of consents to assignment for security purposes of City Secretary Contract Nos. 35326 and 35327, Economic Development Program Agreements, by BGO-S2 Trinity Bluffs Owner LLC, or an affiliate, to a BSPRT CRE Finance, LLC or an affiliate.

In August of 2024, Fort Worth Housing Solutions notified the Economic Development Department that the property at 520 Samuels St. has been sold again and the new buyer (S2 Trinity Bluff FW LP) is seeking an affordable housing tax exemption on the property and wants to terminate the 380 agreement, City Secretary Contract No.35327.

Because the City does not pay in advance, by removing this property off the tax rolls, they have effectively eliminated any future incentive they would receive. Neither the prior or the future owner would be held to any future obligations laid out in the agreement(s) because the property is now tax-exempt. Thus, Council action on this item would remove that property from the agreement and all other obligations and benefits for the properties that are still on the tax rolls and agreement(s) are still in place.

Council action on this item would satisfy the termination of the agreement that includes the 520 Samuels St. parcel, but would exclude the rest of the parcels that are detailed in both City Secretary Contract Nos. 35326 and 35327.

The Trinity Bluff development is located in COUNCIL DISTRICT 9.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

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

Submitted for City Manager's Office by: William Johnson 5806

Originating Business Unit Head: Robert Sturns 2663

Additional Information Contact: Robert Sturns 2663