

Mayor and Council Communication

DATE: 06/08/21

M&C FILE NUMBER: M&C 21-0385

LOG NAME: 17TRINITYBLUFFPHIICONSENT3

SUBJECT

(CD 9) Ratify 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 BSPRT CRE Finance, LLC or an Affiliate

RECOMMENDATION:

It is recommended that the City Council ratify 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.

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. 35236-A1 and 35237-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 has constructed all the required improvements, but has not completed all of the additional investment necessary to obtain the full amounts of the Program Grants under the agreements. The purchaser will be required to meet all ongoing obligations of the Developer under the agreement. The City will continue 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 BGO-S2 Trinity Bluffs Owner, LLC. As a result of the pending sale, the mortgage lender has requested Consents to Assignments for Security Purposes of the EDPAs. The lender required these documents to be executed in late May and, therefore, this M&C is seeking the ratification of those Consents to Assignment.

The Trinity Bluff development is located in COUNCIL DISTRICT 9.

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: Jay Chapa 5804

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