



Legislation Text

File #: 20-149, **Version:** 1

City Council Meeting Date: March 10, 2020

To: Mayor and City Council
City Administrator

From: Nate Carlson, Economic Development Coordinator

Consider Motion Accepting Collateral Assignment Agreements for 5th Street Loft TIF Note.

Action Requested:

The Northfield City Council is requested to consider a motion accepting two Collateral Assignment Agreements for 5th Street Loft TIF Note.

Summary Report:

The City of Northfield approved a Tax Increment Financing (TIF) Agreement on October 1, 2019 for the 5th Street Lofts redevelopment project. The developer for the project has requested that the TIF Note be assigned as collateral to their construction financing lender to secure the necessary financing to construct the building. This request is typical as developers utilize the TIF Note to leverage favorable financing terms.

Once the construction of the building is complete, the permanent lender for the project will secure the construction financing debt. The permanent lender has requested that the City assign the TIF Note to the permanent lender once this conversion occurs.

In order to streamline the process, the Construction Lender and Permanent Lender Assignment Agreements are included in this report for City Council approval.

City staff has worked through these requests with City Bond Counsel, Jenny Boulton of Kennedy & Graven, and found this to be an appropriate action for the City Council to accept.

Alternative Options:

Not applicable.

Financial Impacts:

Not applicable.

Tentative Timelines:

The developer intends to close on financing and property acquisition in the immediate future.

