Council Communication

Department: Community Development Case/Project No.: N/A	Ordinance No.: Resolution No.: 24-	City Council: 10-21-2024

Subject/Title

Resolution approving the Consent to Collateral Assignment of the redevelopment project between Union at Bluffs Run, LP and Merchants Capital Corp.

Location

Generally located south of 22nd Avenue and north of Interstate 29 from 14th Street to 22nd Street

Background/Discussion

Background

In February 2024, the City executed a development agreement with Union at Bluffs Run, LP for the construction of a 192-unit multi-family development south of 23rd Avenue. The total project cost is approximately $35 million. The City approved a 15-year tax increment financing (TIF) rebate for the development in the amount of 100% of the attributable property taxes with a maximum incentive of $10 million to support the project.

Discussion

Union at Bluffs Run, LP is finalizing its financing on the project and the bank has requested a Consent to Collateral Assignment be approved by the City to utilize the TIF rebate as collateral towards their mortgage loan. This request does not hold the City responsible for default on the mortgage. It does require the City notify the lender if there is a default on the project—such as late or unpaid taxes.

Staff Recommendation

The Community Development Department recommends approval of resolution authorizing Consent to Collateral Assignment between Union at Bluffs Run, LP and Merchants Capital Corp.

Attachments

1. Collateral Assignment Agreement
2. Resolution

Submitted by: Courtney Harter, Director, Community Development Department