

COUNCIL ACTION FORM

Meeting Date: May 29, 2025

Staff Contact: Ryan Denk

Agenda Item: Estoppel and 11th Amendment to Woodside Village Redevelopment Agreement

Background/Description of Item: The City was approached by counsel for Woodside Village relative to a refinancing of the debt on the parking garage. The refinancing came before the Council on April 10th in the form of a Resolution consenting to the assignment of the Woodside Village North parcels for the purpose of the refinancing. The Lender on that transaction subsequently requested that the City enter into an estoppel agreement and various terms to an 11th Amendment to the Redevelopment Agreement. The Estoppel attests to the existence of various development agreements between the City and the Developer and also provides consent to the Lender's filing of a lien on the property securing the Lender's security interest in the Woodside Village North properties. Contemporaneous with these negotiations, the City has negotiated with the Developer the City's ability to use revenues from the 0.9% CID sales tax, more commonly referred to as CID2 sales tax receipts. Specifically, the City intends to use the proceeds from this revenue source to fund the local share of 47th Place improvements. The City's use of CID2 proceeds is limited by the local share portion of the engineer's estimate for 47th Place improvements, which local share is estimated to be \$1,281,084, however, this is a "not to exceed" number. If actual costs come in less than the engineer's estimate, the City's actual costs will be recovered.

Additionally, the 11th amendment includes three notable provisions. First, the Developer is assigning its rights under the Redevelopment Agreement to the lender as further collateral securing the lender's loan. The TIF and CID revenues have been previously dedicated to retirement of the TIF and CID bonds issued on the project and will continue to pay down such issued bonds. Second, is a provision making clear that the obligations of the Redevelopment Agreement run with the land, meaning that the owner of the property continues to be bound by the terms of the Agreement. Finally, the lender required agreement to a provision which makes clear that in a foreclosure situation, the lender is free to foreclose on the property and to assign the property without any further consent needed from the City.

Staff Comments/Recommendation: Staff recommends approval of the requested Estoppel and 11th Amendment to the Redevelopment Agreement.

Budget Impact: None.

Suggested Motion: *Move that the Council approve the 11th Amendment to the Woodside Village Redevelopment Agreement and authorize the Mayor to execute the same.*

Move that the Council approve the City's Estoppel Certificate addressed to Walker & Dunlop, LLC and authorize the Mayor to execute the same.