

Memorandum

TO: City Council

FROM: Tom Simonson , Assistant City Manager and Community Development Director

DATE: July 20, 2026

SUBJECT: Resolution approving collateral assignment of tax increment financing note and development agreement - TIF District 13, 4100 Lexington Avenue

ITEM NUMBER: 8.p

SECTION: CONSENT AGENDA

REQUESTED MOTION

To adopt resolution 26-57, approving the collateral assignment of tax increment financing note and development agreement relating to the 4100 Lexington Avenue building (TIF District 13).

INTRODUCTION

The city has been asked to approve a collateral assignment of the tax increment financing note and development agreement to Alliance Bank for a loan to the new owner of the 4100 Lexington Avenue office building, Yellowbrick II, LLC.

This proposed action is in follow-up to the recent transfer of ownership and assignment of tax increment related documents from Shoreview Ridge Office LLC, the developer and owner of the 4100 Lexington Avenue building within Tax Increment District 13, to Yellowbrick II, LLC. A collateral assignment requires the consent of the city by resolution adopted by the city council.

DISCUSSION

Background

The city entered into a tax increment development agreement, dated December 1, 2019, followed by execution of an amended and restated development agreement, dated October 13, 2022, with Shoreview Ridge Office, LLC. Pursuant to the terms of the development agreement, the city issued a Tax Increment Revenue Note (Shoreview Ridge Office LLC 4100 Building Project) in the principal amount of \$4,700,000, dated August 21, 2023.

The city and the developer were also parties to an assessment agreement dated December 1, 2019, subsequently updated in an amended and restated assessment agreement dated December 6, 2022, and together with the development agreement and the TIF Note, a minimum market value was established for the development property and the improvements constructed. The developer undertook and completed all building and site improvements, as required.

On March 16, 2026, the city approved a resolution allowing for the assignment of all tax increment related documents from Shoreview Ridge Office, LLC to the purchaser Yellowbrick

II, LLC.

Assignment request

The new property owner, Yellowbrick II, LLC, is now seeking approval of another collateral assignment of the tax increment financing note and development agreement to Alliance Bank for a loan they are seeking.

A resolution has been prepared by the city's tax increment development attorneys at the Taft Law firm that would approve the collateral assignment. The collateral assignment agreement has also been reviewed and approved by our legal counsel. No financial terms of the tax increment assistance previously approved changes with the proposed assignment, and there is no risk to the city associated with this action. The proposed resolution and collateral assignment agreement are included with this memorandum.

RECOMMENDATION

Staff is recommending the city council adopt resolution 26-57, approving the collateral assignment of tax increment financing note and development agreement relating to the 4100 Lexington Avenue building (TIF District 13).

ATTACHMENTS

[Shoreview TIF 13 - Resolution No. 26-57, Approving Collateral Assignment 4100 Lexington Collateral Assignment of TIF Note and Development Agreement \(Alliance Bank 4100 Lexington\) July 2026](#)