

Memorandum

TO: City Council

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

DATE: December 1, 2025

SUBJECT: Seventh amendment to purchase agreement with Enclave Shoreview Rice Street, LLC, for the Krew redevelopment project.

ITEM NUMBER: 8.1

SECTION: CONSENT AGENDA

REQUESTED MOTION

To approve a seventh amendment to purchase agreement, extending the closing date to no later than January 12, 2026, with Enclave Shoreview Rice Street, LLC, for the Krew redevelopment project.

INTRODUCTION

The city and developer are making final preparations for the closing on the sale of city-owned property to Enclave Shoreview Rice Street, LLC, in order for the construction of the Krew Apartments redevelopment project to commence. While the expectation is to close on the land transaction on December 12, 2025, the developer is requesting city council approval of a seventh amendment to purchase agreement as a precaution in the event there are unforeseen issues that delay the closing. The seventh amendment would extend by 30 days the deadline for closing from December 12, 2025 to no later than January 12, 2026.

DISCUSSION

The city and developer first executed a purchase agreement on May 6, 2024 for the sale of the city-owned 11-acre parcel at the southwest quadrant of Interstate 694 and Rice Street. The approved development plan includes 293 apartments, including 8 live/work units, and approximately 5,000 square feet of a building endcap for retail/restaurant space. A housing tax increment district has been established to financially assist with the project costs to clean-up the brownfield site and support affordable housing of 20% (59 units) of the apartments that will be available to people at 50% of the area median income (AMI).

Since the original purchase agreement was approved and executed, there have been six amendments that have extended the inspection period and the closing date. These extensions were necessitated by delays due to a variety of reasons including the overall complexity of the project, working through cleanup grant terms with the Minnesota Department of Employment and Economic Development, and challenges faced by the developer in securing financing given changes in the housing market and uncertainty with the economy. Enclave has now resolved these outstanding issues, and has the project financing in place. The closing is planned for December 12, 2025.

However, as with any property sale, there is always a risk of some issue arising just before closing that could potentially delay the transaction being finalized. The developer, along with their lender and equity team, are requesting the proposed seventh amendment to the purchase agreement extending the closing deadline by one month to prevent the developer from being in default of the terms in the agreement. Chad Lemmons, from the city attorney's office of Kelly and Lemmons, has been representing the city and approves of the language presented in the seventh amendment (please see attached). Financial terms of the sale do not change with this proposed amendment.

RECOMMENDATION

Staff is recommending city council approval of a seventh amendment to purchase agreement, extending the closing date by 30 days to no later than January 12, 2026, with Enclave Shoreview Rice Street, LLC, for the Krew redevelopment project.

ATTACHMENTS

[Seventh Amendment to Purchase Agreement - Enclave and Shoreview](#)