

Memorandum

TO: City Council

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

DATE: April 21, 2025

SUBJECT: Resolution Approving Assignment and Assumption of Development Agreement and TIF Note for the sale of Building 1, Seven Lakes by Scannell Properties #629, LLC

ITEM NUMBER: 8.i

SECTION: CONSENT AGENDA

REQUESTED MOTION

To adopt Resolution No. 25-34, approving the assignment and assumption of the TIF development agreement and TIF note (TIF 14) - Scannell Properties #629, LLC - for the sale of Building 1, Seven Lakes.

INTRODUCTION

Scannell Properties #629, LLC, has a purchase and sale agreement for the sale of their Building 1 in the Seven Lakes development. The buyer is requesting an assignment of the TIF development agreement and TIF note for the project. As common practice, when the city approved the establishment of a tax increment district 14 and financial assistance for the project, there are provisions that allow the assignment of the development agreement and tax increment note subject to approval from the city council by resolution. No previous financing terms relating to the city's assistance or developer obligations change with this recommended action.

DISCUSSION

Building 1 in Seven Lakes is essentially completed by Scannell Properties, with the primary tenant Binks currently moving into their 120,000 square foot space with a temporary occupancy permit now issued by the city. There remains a 30,000 square foot space that remains available for lease.

The resolution and assignment agreement has been drafted by the city's tax increment legal counsel from the Taft Law firm. Both documents are attached with this memorandum for review. There are no changes to the financial terms between the city and developer, and no risks associated with this property transaction or assignment and assumption.

RECOMMENDATION

Staff is recommending city council adoption of Resolution No. 25-34, approving the assignment and assumption of the TIF development agreement and TIF note (TIF 14) - Scannell Properties #629, LLC - for the sale of Building 1, Seven Lakes

ATTACHMENTS

Resolution No. 25-34, Approving Assignment and Assumption Agreement (TIF 14 - Scannell Properties #629, LLC)

Assignment and Assumption Agreement (Scannell Properties #629, LLC) - Shoreview TIF 14