



MEMORANDUM

**DATE:** July 12, 2021

**TO:** Honorable Mayor and City Councilmembers  
Dave Perrault, City Administrator

**FROM:** Jessica Jagoe, Senior Planner

**SUBJECT:** PC19-002 – Assignment of Development Agreement with AHSL Partners LLC  
(Trident Development)

Budgeted Amount:	Actual Amount:	Funding Source:
N/A	N/A	N/A

**Council Should Consider**

Motions to approve, table, or deny the following:

- The Assignment of Development Agreement for the Planned Unit Development Agreement with AHSL Partners LLC based on the City Council approval of Planning Case 19-002 on July 22, 2019.

*All items need a simple majority for action unless otherwise noted.*

**Background**

At its April 26, 2021 meeting the City Council approved an Amended and Restated Development Agreement for the Planned Unit Development for AHSL Partners LLC (Trident Development). The Master Plan PUD Agreement outlines the conditions as permitted for the construction a three (3) story, 120-unit senior housing building which will include independent living, assisted living, memory care and skilled nursing. The amended PUD Agreement has been signed and is in the process of being recorded (Attachment B).

The Developer recently requested the City approve and sign an Assignment of Development (Attachment C). The agreement essentially states that the City consents to the loan and should the developer default under the loan, the City will recognize the lender as the Developer so the lender can complete the project.

The City Attorney has reviewed the proposed Assignment of Development Agreement. He notes this type of agreement serves as a preapproval for the lender to take over the project should the original developer default, and it is not unusual for larger, multi-phased projects. One of the advantages of the agreement is it offers additional certainty of process upon default, and includes the financier in the team of people involved in completion of the contract as guarantor or watchdog. Disadvantages may include it adds another player for staff to potentially have to inform or deal with, the lack of previous contact or knowledge of the financier may pose challenges, and the unknown expertise of the financier in operational development matters, and remote location may complicate matters.

With that in mind, the City Attorney does not have any concerns with Council signing the agreement as drafted.

### **Options and Motion Language**

Staff has provided the following motion language for this case.

1. Recommend Approval: Motion to approve the Assignment of Development Agreement for AHSL Partners LLC based on the City Council approval of Planning Case 19-002 on July 22, 2019.
2. Recommend Denial: Motion to deny the Assignment of Development Agreement for AHSL Partners LLC based on the City Council approval of Planning Case 19-002 on July 22, 2019. The City Council should identify findings to deny should specifically reference the reasons for denial and why those reasons cannot be mitigated.
3. Table: Motion to table the Assignment of Development Agreement for AHSL Partners LLC based on the City Council approval of Planning Case 19-002 on July 22, 2019.

### **Budget Impact**

NA

### **Attachments**

- A. Location Map
- B. Planned Unit Development Agreement
- C. Assignment of Development Agreement