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**CITY OF GAINESVILLE**  
Office of the City Attorney

**Memorandum**  
334-5011/Fax 334-2229  
Box No. 46

**TO:** Community Redevelopment Agency

**DATE:** December 21, 1998

**FROM:** Patricia M. Carter, CRA Attorney

**SUBJECT:** Consent to assignment of Development Agreement

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**RECOMMENDATION:** The Community Redevelopment Agency 1) consent to the assignment of the Development Agreement for Union Street Station to First Union; and 2) authorize the Executive Director to sign the necessary document for the consent to assignment.

The Agency and the City recently entered into an agreement with McGurn Investment Company (the developer) for the development of a project known as Union Street Station in the Downtown Redevelopment District. First Union will be providing financing to the developer for this project.

First Union has requested as a condition precedent to the funding of the loan to the developer that the developer assign all of its rights in, to and under the Development Agreement to First Union as security for the loan. The assignment intends to allow First Union to step into the shoes of the developer in the event of default of the developer under the loan documents executed in connection with the loan transaction.

The intent of the consent First Union Bank has asked the City and the Agency to execute is to have both of those entities acknowledge the assignment and agree to recognize First Union Bank as the assignee of the Development Agreement in the event of default, pursuant to which the development and operation of the proposed development in accordance with the Development Agreement would continue, with First Union in the shoes of McGurn Investment Company.