TULSA DEVELOPMENT AUTHORITY WORK STUDY
MEETING OF: August 6, 2020

TO: Chairman and Board Members
FROM: Office of Tulsa Development Authority
SUBJECT: Request for an Extension of time for Construction and Loan Terms for Hartford Crossing, LLC

Background:

Redeveloper: Hartford Crossing, LLC
Owner: Hartford Crossing, LLC
Developer: N/A
Engineer: N/A
Location: 111 S. Greenwood Avenue, Tulsa, OK
Size of Tract: 0.84 Acres or 36,609 square feet
Number of Lots: 1
Development Area: Downtown Sector Plan
Comp Plan: Downtown Master Plan
Fair Market Value: $490,000.00
Executive Director: Nancy L. Roberts, Acting Executive Director

Other Relevant Info:

On May 3, 2018, the TDA Board of Commissioners reviewed and approved Resolution No. 6440, to enter into a Redevelopment Agreement for the loan of Downtown Housing funds for Residential Development located at 111 S. Greenwood, Tulsa, Ok. 74120.

On November 1, 2018, Resolution No. 6505 was approved, allowing the Redevelopment Project to be re-defined as a four story building with 2,600 sq. ft. of retail/commercial use on the west end of the ground floor and a minimum of fifty (50) residential apartment units on the remainder of the ground and upper floors together with not less than forty(40) parking spaces, all to be constructed upon the Property as part of a multi-use commercial/residential project in accordance with the renderings and schematics for the One Eleven Greenwood project as approved.

This is a request for the TDA Board of Commissioners to consider amending the construction timeline for completion from June, 2020 to December 31, 2020 and extending the loan terms from July 31, 2025 as set forth in the redevelopment agreement to March 31, 2027.

Attachments: - Letter from Neal Bhow, dated June 23, 2020

Recommendation: - Staff recommends the TDA Board of Commissioners approve this request as presented.

ACTION: APPROVAL: ___ X ___ APPROVAL W/ CONDITION: _____ DENIAL: _____ TABLED: _____
VOTE: _____
June 23, 2020

To: Tulsa Development Authority, Board of Directors
    1216 North Lansing Avenue
    Tulsa, Oklahoma 74106

RE: Hartford Crossing, LLC Request for Amendment to the Redevelopment Agreement

Dear Board Members,

The purpose of this letter is to request an amendment to change the Loan Term set forth in the Redevelopment Agreement dated April 30, 2018. While the project has been moving forward at a steady pace, several events during pre-construction have caused the timeline of the project to shift.

The seven-year term for the Loan commenced upon execution of the Promissory Note on July 31, 2018. The TDA then requested modifications to our proposal. Collaborative changes in the project scope led to architectural re-design work and further board review, which delayed the permitting process and filing of the Mortgage Loan in December 2018. Our first draw request was submitted to the TDA in November 2019 - sixteen months after the Loan Term commenced.

Despite the timeliness of the project breaking ground in May of 2019, several weeks were lost in the early stages of construction as we experienced heavy flooding in the Spring of 2019. When the pandemic hit in 2020, construction was briefly halted. As quarantine restrictions were lifted, work resumed with a reduced number of workers on site. We continue to experience pandemic-related delays in receiving shipments of supplies. Loan draw administration from the bank as well as from the TDA has been significantly slowed, causing a reduction of incoming funds for the project.

As it stands today, we are nearly 50% complete. We are confident the new construction will be complete by the end of 2020, barring any more unforeseen events this year.

Considering the lapse between the Promissory Note execution and our first loan draw application, as well as the extraordinary events of the past two years, we respectfully request the approval to amend the construction timeline and commencement of the loan term by 20 months. Upon approval, the loan would become due March 31, 2027.

Respectfully yours,

[Signature]

Neal Bhow
MEMORANDUM

DATE: 20.7.13
TO: The File – TDA – Downtown Housing RFP – Hartford Crossing, LLC
FROM: Jot Hartley
RE: Request for extension of time for repayment of Promissory Note – Second Amendment
CC: Nancy Lynn Roberts, Chairwoman TDA

Today I participated on a phone call with Chairwoman Roberts, Neal Bhow and Shaun Bhow re the request from Hartford Crossing, LLC for a 20 month extension of the date for repayment of the Promissory Note to TDA having a seven year term following execution on July 31, 2018.

The Mortgage to TDA was not filed until December 2018. I recall that there was some difficulty in getting Mr. Bhow to come into the TDA office to sign the mortgage.

The Bhows contend that they were delayed in accessing the TDA loan funds due to delays in commencing and completing construction due to redesign, permitting, heavy flooding in spring of 2019 and COVID-19 in spring of 2020.

The first draw request was not submitted until November, 2019 and was approved by TDA Board at the December 5, 2019 Board meeting (Resolution No. 6611 - $80,867.00). Advance No. 2 was approved at the March 5, 2020 Board meeting (Resolution No. 6652 - $26,932.68)

The original completion date was to be June 30, 2020. The new expected completion date is December 31, 2020.

The Bhows are to prepare two timelines, one for use of funds and one for delays in completion, with explanations of the cause of delays and present them to Chairwoman Roberts for review with an attempt to have this request considered at the August or September 2020 Board meeting.

This Memorandum is subject to attorney/client privilege and is not to be published to any other person other than the intended recipients named above without the express consent of the Tulsa Development Authority.