



MEMORANDUM

Council Agenda
Item No. IX.G.
2/14/2017

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: James D. Couch, City Manager

Economic Development Agreement with Hartford at 10th, LLC, a Colorado limited liability company, Lantana Apartments Redevelopment Project, 7408 NW 10th Street. Ward 1.

Background

The City has previously determined that the property located at 7408 NW 10th Street, also known as the Lantana Apartments, is a public nuisance and exists in a blighted, dilapidated, and abandoned condition as reflected in the liens arising from the abatement of dilapidated buildings on the Property. The current amount of liens on the property owed to the City total \$262,834.71, with an additional \$42,545.31 pending liens anticipated to be filed in the next six months.

Hartford at 10th, LLC (Hartford) has proposed a plan by which the property and improvements can be redeveloped and desires that the City work with Hartford and its lender in regards to dealing with the existing liens, pending liens, and future tax assessments against the property. Staff believes that redevelopment of the property as proposed by Hartford presents the best opportunity to remove the blighted and dilapidated condition thereby providing opportunity to increase the local tax base, provide residents of the property improved living conditions, provide additional residential opportunities in an area known to be of low and moderate income, and provides improved economic opportunities for surrounding businesses.

Hartford has proposed to make capital improvements to the property in the amount of approximately \$3,100,000. Hartford has requested BC56, LLC, a Michigan limited liability company, finance a portion of the costs for capital improvements. In order to induce the lender to finance a portion of the capital improvements, City staff has proposed that the existing liens and pending liens will be released prior to the Developer closing on the loan with the lender.

Upon the Developer's immediate payment to the City in the amount of \$180,500, as partial payment of the existing and pending liens, the City will discount and convert the remaining balance of the existing and pending liens into a loan to the Developer in the amount of \$109,537.52. The loan will be through the Oklahoma City Economic Development

Trust. The loan will have a provision that it may be forgiven if the Developer completes the redevelopment of the 102 units by September 1, 2018 and can demonstrate that 25% of the units are occupied.

Review

City Manager's Office - Economic Development

Recommendation: Agreement be approved.