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January 17, 2024

Chandell Ryan  
President  
Downtown Memphis Commission  
114 N. Main St.  
Memphis, TN 38103  
[ryan@downtownmemphis.com](mailto:ryan@downtownmemphis.com)

Project: 22 N. Front St (Falls Building Redevelopment)  
Included Parcel: #002005 00001C (22 N. Front St.)  
CCRFC Approval Date: May 9, 2023  
PILOT Closing Deadline: May 9, 2024

**REQUEST FOR MODIFICATION OF PILOT CLOSING DEADLINE**

To Ms. Ryan,

The Project Applicant, Falls Building Property Owners, LLC, respectfully requests approval by the Center City Revenue Finance Corporation (“CCRFC”) of a modification to the PILOT Closing Deadline currently set for May 9, 2024, for the above-referenced Project.

Since the CCRFC’s approval of the 12-year PILOT for redevelopment of the historic Falls Building into approx. 170-unit apartment building on May 9, 2023, Applicant has faced numerous challenges, some particular to this Project and others facing the nationwide commercial development market, that justify its request for a modification to the PILOT Closing Deadline.

With respect to the market-wide challenges, Applicant has contended with the most challenging capital raising environment in the last 15+ years, and the exorbitant cost of borrowing due to high interest rates. Applicant has carefully navigated these market-wide conditions and is optimistic that these market factors will trend in a more positive direction this calendar year.

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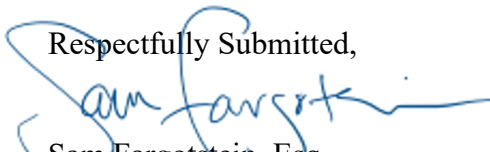
The Project specific challenges and work still underway by Applicant include, but are not limited to:

- The Project start was slightly delayed due to financing issues and broader market factors in 2023;
- Applicant is working with its General Contractor to identify and retain certified MWBE contractors for various aspects the Project;
- Applicant is working to secure a retail space tenant to determine necessary specifications for construction, which will have an impact on the specifications for construction of the Project as a whole;
- Applicant is in the process of seeking Historic Tax Credit Financing;
- Applicant is in the process of completing C-PACER cost analyses to determine availability of Eligible Cost financing; and
- Applicant is working with the Department of Housing and Urban Development to determine HUD Eligible Financing.

Applicant is working diligently towards the goal of seeing this Project realized to its full potential. Applicant is also striving to adhere to all the applicable CCRFC Policies and Procedures, particularly those concerning compliance with the EBO Program and Affordable Housing Requirements. A modification of the PILOT Closing Deadline will allow Applicant to continue its work towards meeting all its goals and commitments related to the Project. Without a modification to the PILOT Closing Deadline, the Project could be rendered economically infeasible.

Applicant hereby requests that the PILOT Closing Deadline, currently set for May 9, 2024, be modified to May 9, 2025. Applicant also requests that this matter be set on the next scheduled CCRFC Board Meeting Agenda. Should any other information be needed from the CCRFC Board or Staff, please do not hesitate to contact the undersigned. Applicant will also have a representative appear in person at the CCRFC meeting to address any questions regarding this request.

Respectfully Submitted,



Sam Fargotstein, Esq.  
*Counsel for Applicant*

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Cc: *James McLaren, Esq.* <via email only>  
*Brett Roler – COO, Downtown Memphis Commission* <via email only>  
*Clayton C. Purdom, Esq.,* <via email only>