#### 290 Keystone Avenue and 0 Second Street Option Agreements

Presented by

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JULY 28, 2021 - RENO CITY COUNCIL

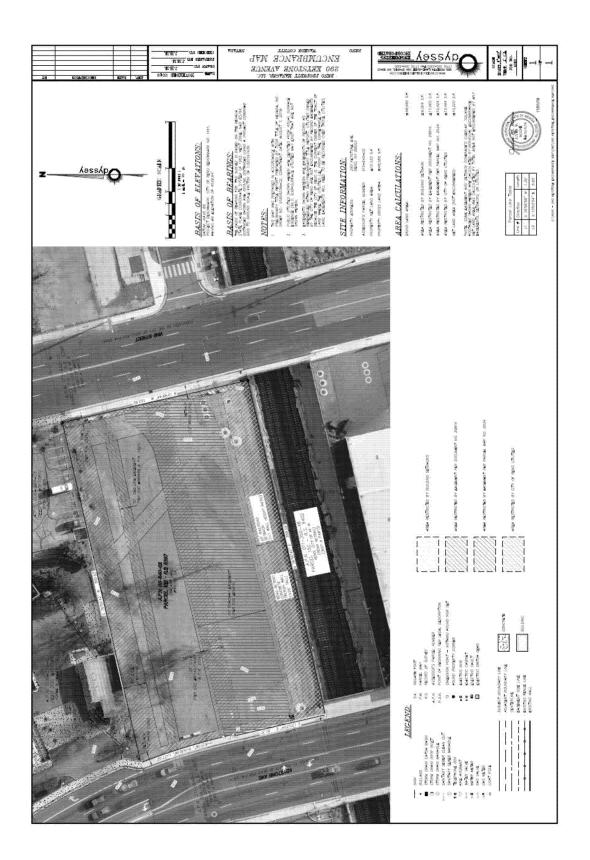
#### 290 Keystone Avenue and 0 W. Second Street





# PROPOSED AMENDED AND RESTATED OPTION TERMS (290 Keystone Avenue)

- 1. <u>Purchase Price</u>: \$631,600
- 2. <u>Property</u>: <u>+</u>48,584 square feet, but only <u>+</u>37,284 square feet is not encumbered and developable.
- 3. <u>Closing</u>: Exercise notice sent by October 31, 2021 and closing occurs 30 days later.
- 4. <u>Right of Reverter</u>: City may exercise right of reverter if Jacobs does not apply for a building permit within 18 months of closing -- plus Jacobs must commence construction within 6 months after permit issuance and complete construction within 48 months.
- 5. <u>Profit Sharing</u>: Additionally, if Jacobs sells this combined residential site (with Chevron and Meineke parcels) to a third party residential developer, Jacobs will pay the City an additional purchase price of 25% of all net sales proceeds above Jacobs basis in the two properties. **Innovative Public/Private Partnership**



# PROPOSED AMENDED AND RESTATED OPTION TERMS (0 Second Street)

- 1. Purchase Price: \$2,440,000
- 2. <u>Property</u>: The property will be incorporated into Reno's Neon Line District master plan for residential and commercial uses.
- 3. <u>Closing</u>: Exercise notice sent by October 31, 2021 and closing occurs 30 days later.
- 4. <u>Timelines</u>: Jacobs shall: (i) apply for a building permit within 18 months of closing; (ii) commence construction within 6 months after permit issuance; and (iii) complete construction within 48 months.
- 5. <u>Profit Sharing</u>: Additionally, if Jacobs sells all of a portion of this combined residential site (with Townhouse parcel) to a third party residential developer, Jacobs will pay the City an additional purchase price of 25% of all net sales proceeds above Jacobs basis in all properties. **Innovative Public/Private Partnership**

### **SUMMARY**

- Jacobs will pay the City of Reno over \$3,000,000 by the end of November 2021
- □ The City of Reno will participate in "Profit Sharing" on both residential projects
- This public-private partnership will contribute to the development and success of Reno's Neon Line District and the redevelopment of downtown Reno.