

January 26, 2024
City of Reno
Lori Miles

Re: Letter of Intent to Purchase 315 & 335 Record St. Reno, NV 89512

Dear Lori,

We are writing to express our earnest interest in acquiring 315 & 335 Record St. Reno, NV 89512 parcels along the 4th Street corridor to develop into an innovative attainable housing project that addresses the critical need for attainable housing in our community. Our vision extends beyond this site; it encompasses the revitalization of an entire neighborhood, uplifting lives, and fostering a vibrant urban environment in downtown Reno.

Our group has a proven track record of navigating complex regulations and landscapes, optimal land usage, public private municipality partnerships, and delivering high-quality, attainable housing solutions. Our experience gives us the ability to deliver quality, sustainable housing solutions that not only meet the needs of the residents but also contribute significantly to the overall well-being of the community. Our past portfolio speaks to our commitment to crafting housing that enhances the urban fabric, fosters inclusivity, and promotes economic growth. We see this opportunity as the proven spark that will really ignite the revitalization of downtown Reno and not entirely displace or gentrify while cleaning up the streets.

Why a Revised Letter of Intent?

Over the past couple of months our team has been in the initial discovery phase of the project. During our review of current ownership, we have discovered that City of Reno paid for this building with CDBG funds in the amount of \$3,000,000. One of the hurdles in front of all of us is the fact that City of Reno would have to pay back the delta between the property's sales price and the CDBG funds. What was also discovered is that should the use of the property be used for workforce housing then City of Reno would not need to reimburse the CDBG fund. It stipulates that at least 51% of the project must meet 80% AMI requirements or less. Now knowing this, we see a solution to solve the issue stated above that City of Reno would be faced with should they sell the property. Instead of taking Option A in the LOI and still owe \$1,500,000 more to CDBG we can do Option B which would give City of Reno a net \$0.00 deficit. With Option B comes a Development Agreement which makes it a requirement that Buyer build a project that includes at least 51% of the project to be 80% AMI or less.

Project Overview:

Our attainable housing project targets individuals earning between \$20 and \$25 per hour, a demographic in urgent need of attainable housing solutions. We are dedicated to transforming the 4th Street corridor by not only building homes but also by investing in the community, enhancing the quality of life, and promoting economic sustainability. We are proposing a 6 story residential building, with rooftop activation giving views to the Reno Aces ballpark. Our goal is to create an inclusive, economically viable, urban project that benefits both the new residents and the downtown Reno area as a whole.

Site Constraints:

Despite challenges such as the presence of a transmission pole, lack of street frontage, undesirable existing structures, proximity to train tracks, and the nearby Gospel Mission, our experienced team is prepared to overcome these obstacles. We have a comprehensive plan that includes collaborating with local social services to support homeless residents.

1. Transmission Pole:

- . This site houses the primary power line that feeds all of downtown. The power pole is directly in the middle of the parking lot on the east side of the property. It would cost over \$10M to move this pole. NV Energy has been working directly with us to sort this out. Due diligence has told us that we can not build closer than 25 feet on either side of the pole. Because of this, the buildable area of the site has dramatically shrunk in size.
- 2. Mold
 - a. The building has significant mold due to roof leaks. Cost for mold mitigation for this building could be significant.
- 3. No Street Frontage
 - a. The site/building is tucked back with no true street frontage.
- 4. Train Track Adjacent
 - a. The noise of the train runs right alongside the site. Train track adjacent sites cost more due to soil testing, because the train brings contamination. This can also affect marketability of the project.
- 5. The Unsheltered Population On The Street
 - a. With the Gospel Mission nearby and the site being a prior shelter, the lingering homeless population is still very much present on this site and Record Street Leading into it. We will be working diligently to relocate the Gospel Mission but we have to assume this will not happen.
- 6. The Neighboring Gospel Mission
 - a. The Gospel mission runs a sober living program and has a kitchen that feeds people which attracts people looking for services still, even though the Shelters have relocated. Several times throughout the day there are 25+ homeless people gathered on Record St. adjacent to the north entrance of our project.

Financing:

We will be using Federal government financing on a portion of this project. We have hired a consultant, Robert Ardolino of Urban Innovations, to assist in acquiring this debt. We will be seeking to pull from the Department of Transportation Federal fund which will supply a 40 year note at 4% interest and 5 years of debt service abatement. The goal of this fund is to supply debt to projects that are within walking distance of public transportation stations to help with the urbanization of our cities. This is not only an urban initiative but a green initiative.

Our Team:

Our team is comprised of seasoned professionals with a over decade-long expertise in urban infill real estate development. With members such as Brianna Bullentini, a visionary recognized for her contributions to downtown Reno's revitalization, Troy Keeney and his history in completing acquisitions and ground up developments, as well as Jeremme McGilvray, a local contractor deeply familiar with the area, we have the knowledge and passion needed for this endeavor. Brianna also has deep roots on 4th Street and her family's involvement in the neighborhood, which further enhance the team's understanding of the community's needs. She knows the neighborhood very well and has been involved in a lot of it's evolution along the way. She will also continue to work on what is best for the overall district as a whole beyond this building. Overall, our extensive experience in real estate development within urban cores paired with local history in the area equips us to navigate this unique project successfully.

Troy Keeney – Partner

Troy has been in commercial real estate for over 7 years. In his first years Troy was a commercial real estate investment broker focusing on buying and selling retail and multi-family assets. Troy has transacted over \$140,000,000 in commercial real estate deals, the majority of the transactions being land, retail and multi-family assets. During this time Troy also consulted large retail and multi-family developers. Troy then went on to become managing partner at Bash Capital, a real estate investment and development company focused on multi-family developments. Bash Capital has been completing acquisitions and ground up developments in Reno, NV, Portland, OR, and Greenville, SC.

Brianna Bullentini - Partner

Born and raised in Reno. Since college she has worked on mixed-use development projects all over the country. Including Gravity in Columbus which she project managed as well as spearheading the revitalization of The Post Office in downtown Reno and leading the birth of The Basement as well as West Elm's presence in downtown. Because of her reimagination of downtown Reno she was awarded Visionary of The Year by Governor Sandoval in 2016. She is very familiar with mixed-use real estate development both adaptive reuse and ground up new build. Her and her family's network has been a huge asset in getting projects executed in the greater Northern Nevada region.

Nate Jenkins- Principal at Oz Architecture.

Architecture firm based out of Denver. Has completed several, beautiful, attainable housing projects. Worked on Gravity.

"Drawing on expansive expertise, we provide comprehensive architecture, interior design, urban planning and experience design. Our portfolio reflects the many ways that our designs respond to the complexities of different goals, uses, locations and cultures."

Jeremme McGilvray- Group West Construction

Local contractor who is knowledgeable and experienced in the area. His team built the shelter in 2007. Very familiar with the site and current infrastructure there. Group West has completed many multi-family projects in the region including their latest project which is a sustainable CLT development.

Our Commitment:

This project will be an investment into the community:

1. **Homelessness services:** To aid in getting individuals off the street, we will work in tandem with local social services to provide support for homeless residents, and continue to look for new location for Gospel Mission.
2. **Residential in Downtown Reno:** continuing to push the 10,000 beds in downtown in 10 years. This project will help revitalize the urban core. With an increase in the number of residents living in the city center will lead to more foot traffic, increased business opportunities, and a vibrant atmosphere that attracts locals and tourists alike.
3. **Economic Growth:** Attracting new businesses and investments to the district.
4. **Enhanced safety & mitigate unsheltered loitering:** a greater presence of residents can contribute to improved safety in the downtown area. More people on the streets can deter crime, cleaner streets and lingering individuals.
5. **District Integration:** The design of the building will foster a sense of community, promoting inclusivity and social cohesion among residents and the neighboring businesses. As well as the district at large.
6. **Attainable Housing Creation:** not just any housing but the primary objective of this project is to develop attainable housing units that cater to individuals earning \$20-\$25 per hour. This target income group often faces challenges in finding quality housing within their means. By providing attainable housing options, we aim to bridge this gap.

In Conclusion:

We believe that our attainable workforce housing project represents a significant step towards transforming downtown Reno. By offering attainable housing, promoting safety, and supporting the community, we aim to create a model of urban renewal and inclusivity. Together, we can make downtown Reno a thriving, vibrant hub.

We appreciate your time and consideration. We are eager to discuss our proposal further and explore how our vision aligns with The City's goals for the 4th Street corridor. Thank you for your attention.

Sincerely,

Troy Keeney
Brianna Bullentini

