

STAFF REPORT

Date: July 31, 2024

To: Mayor and City Council

Through: Jackie Bryant, Interim City Manager

Subject: Resolution No. _____ (For Possible Action): Resolution of the Reno City Council pursuant to NRS 268.063, determining that it is in the best interest of the public to enter into an Economic Development Agreement to convey City-owned property located at 1510 West Fourth Street (APN 010-610-12) for full appraised value of \$938,500 to Truckee River LLC, a Nevada limited liability company, without first offering it to the public, because the property will be sold for an economic development project and will be sold for its Fair Market Value.

From: Bryan McArdle, Revitalization Manager

Department: City Manager's Office

Summary:

During the November 15, 2023, Council meeting, Council approved moving forward with negotiating an economic development agreement to sell the City-owned property located at 1510 West Fourth Street to the City's current tenant, Truckee River LLC, and bring the development agreement back to Council for review and approval. In accordance with Council direction, this is the Economic Development and Purchase/Sale Agreement setting out the approved and agreed upon sale terms. Staff recommends approval of the Resolution and authorization of the City Manager to finalize the agreement and the City Manager and Mayor to execute all documents to complete the sale of the property for the appraised value of \$938,500.

Alignment with Strategic Plan:

Economic and Community Development

Previous Council Action:

November 15, 2023: Council approved to sell the property located at 1510 West Fourth Street (assessor's parcel number [APN] 010-610-12) to Truckee River LLC.

Background:

The City obtained ownership of the land from the Union Pacific Railroad (UPRR) transfer as part

of the ReTRAC project in 2006 and later conveyed the property into joint ownership with the Redevelopment Agency (RDA) when all the ReTRAC parcels were re-parceled. Truckee River LLC is the current leaseholder, as well as the owner of the building located at 1510 West Fourth Street. As discussed during the November 15, 2023, Council meeting, Truckee River LLC intends to invest upwards of \$150,000 in capital improvements in the building and wishes to secure the land to protect the investment. These improvements include a new roof, new windows, painting, re-paving the lot, new landscape, and new security fencing. Staff reviewed the request and determined there was no need for redevelopment of any of the parcels along this portion of Fourth Street due to their shape, size, and location, and Council approved the sale. Since these parcels are outside of the Redevelopment area, staff was directed to have RDA quitclaim its interest in the property to the City, which is concurrently scheduled as an item for today's RDA agenda.

Discussion:

As part of Council direction during the November 15, 2023, Council meeting, staff is returning to complete the sale of the parcel known as 010-610-12 to Truckee River LLC, under an economic development project that will be used for the retention of existing commercial enterprises that will create or retain opportunities for employment for residents of the City for five years and will be sold for the full appraised value of \$938,500. Pursuant to the requirements in Nevada Revised Statutes (NRS) 268.063, the City obtained two independent appraisals from Carter-Ott Appraisal Ltd., with an estimated fair market value of \$907,000; and John S. Wright and Associates, with an estimated fair market value of \$970,000, for an average fair market value of \$938,500.

The attached Economic Development and Purchase/Sale Agreement is a draft that covers the above terms and conditions for the sale of the property. After due diligence and discussions with the purchaser, it may need some adjustments to the details, which the City Manager is authorized to complete, and the Mayor is authorized to execute any Deeds to transfer the property and the City Manager, or his/her designee, to execute and deliver all documents to close the sale.

Financial Implications:

Since the ReTRAC Revenue Bonds have been paid in full, the sale proceeds can be used for other financial needs of the City.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law.

Recommendation:

Staff recommends Council adopt the Resolution.

Proposed Motion:

I move to adopt the Resolution.

Attachments:

1510 W 4th Street Draft Agreement for Economic Development and Purchase/Sale of Real Property

1510 W 4th Street Resolution to Convey City-Owned Property

1510 W 4th Street Map