

**TERM SHEET**

**BETWEEN**

**THE CITY OF SAN ANTONIO AND 803 N CHERRY, LLC**

This Term Sheet (this "Term Sheet") is entered into on this 7<sup>th</sup> day of June, 2019, by and between the City of San Antonio, a Texas home-rule municipality ("City") and 803 N Cherry, LLC (803), a LLC corporation organized and existing under the laws of the State of Texas. Together, the City and 803 may be referred to herein as the "Parties."

The City and 803 have engaged in preliminary discussions concerning a proposed property transaction consisting of the exchange of real property owned by the Parties. This Term Sheet outlines general parameters under which the City and 803 will pursue the negotiation of a detailed binding definitive agreement (the "Definitive Agreement"), where City Council has approved and granted permission to the City Manager to negotiate and finalize the terms of the Definitive Agreement without any further action from City Council. This Term Sheet is not, nor is it intended to be, an exhaustive or complete discussion of the terms and conditions set forth herein or of any prospective agreement pertaining to the proposed real estate transaction, but is intended to provide a framework for negotiations of a future Definitive Agreement that supplements but does not modify the terms in this Term Sheet.

Subject to the foregoing and the other provisions hereof regarding the nature of this Term Sheet, the following are general parameters pursuant to which the City and 803 would commence negotiations on a Definitive Agreement:

**I. 803 and City's Intended Commitments**

- 803 North Cherry Street, LLC shall convey 803 and 815 N Cherry Street to the City in exchange for 1.69 acres of 223 S Cherry Street.
- The City at the City's sole expense will replat and renumber the two-acre tract at 223 S. Cherry.
- The City will convey a 2 acre portion of 223 S Cherry Street to 803, referenced in Exhibit 1. An additional .31 acres is necessary so that 803 will accept the property with a height restriction requirement of five stories on the deed for the 2 acres of 223 S Cherry. The use of the 2 acres of 223 S Cherry Street that the City conveys to 803 will be limited to multifamily. The City gives 803 the right to construct a five-story multi-family building. The Term Sheet is predicated on the fact that nothing less than a five-story multi-family building will be built.

The City will sign a deed, which is to be unrecorded and undated, for the 223 S Cherry Street property over to 803. The deed must be accepted and recorded on either acceptance of a building permit for the site or thirty six months following the completion of the site demo and cleanup, whichever comes sooner.

- The City will provide the same incentives to the housing project on 223 S Cherry Street that was provided through the previously executed Center City Housing & Infill Policy (CCHIP) Agreement for 803 and 815 N Cherry Street. This includes a 10-year property tax rebate of City ad valorem taxes, as well as, a waiver of City and SAWS fees.
- The City incentives under the CCHIP will be contingent upon 803 commencing construction on the CCHIP project prior to the third anniversary of the execution of a Development Agreement between the City and 803. Extensions will be allowed consistent with CCHIP policy or in the City Manager's opinion.
- Applicable City processes to convey and develop the property shall apply to the conveyance of 223 S Cherry. The development will be subject to HDRC review consistent with the terms of this MOU, for example, the right to build a 5 story building and nothing less.
- The City shall deliver 223 S Cherry in an environmentally clean condition that meets all federal, state and local requirements for a residential development of a five-story building in its completed state and the City will fund and oversee the remediation of the site.
- The City shall demolish existing buildings and structures on 223 S Cherry Street and work with 803 to retain, recycle and reuse utilities coming into the site without impeding the demolition process.

## **II. Coordination**


Except as otherwise permitted herein, no Party will disclose to any person any information or facts regarding the specific terms of the Term Sheet, the fact that the Parties are negotiating a Definitive Agreement or the status thereof; notwithstanding the foregoing, the Parties agree that general references by either party to the existence of the Term Sheet are permitted.

## **III. Understanding**

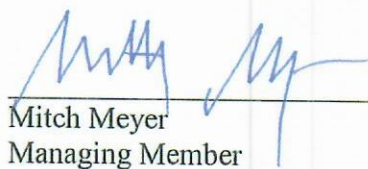
This Term Sheet is entered into for the purpose of providing a framework for negotiation. The execution and delivery hereof by the City or 803 shall not, and does not, create any contractual rights or obligations in favor of any party vis-à-vis the other, nor shall the submission or acceptance of this Term Sheet constitute any offer by any Party to enter into any transaction with the other or bind any Party to pursue a transaction with the other concerning the transaction that is the subject of this term sheet. No Party hereto shall have any obligations unto the other concerning the transaction or any other matter until such time as a Definitive Agreement is fully negotiated, drafted, approved by the City Manager and signed by 803. Furthermore, any party may, at any time prior to the execution and delivery of a Definitive Agreement, abandon discussions concerning the transaction without liability, it being acknowledged that no Party has any obligation to the other to engage in or continue any negotiations regarding the transaction. Time is of the essence to produce a Definitive Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Term Sheet to be executed on this the 7 day of June 2019.

For the City of San Antonio:

  
\_\_\_\_\_  
Lori Houston  
Assistant City Manager

For 803 N Cherry LLC.:

  
\_\_\_\_\_  
Mitch Meyer  
Managing Member  
803 N Cherry LLC

Idaho St

**2.0 Acres  
Exchange Lot**

**1.92 Acre  
City Lot**

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Market St

