

**PORTLAND DEVELOPMENT COMMISSION**

Portland, Oregon

**RESOLUTION NO. 7053**

**AUTHORIZING MODIFICATIONS IN THE LOANS USED TO FINANCE THE ACQUISITION AND REDEVELOPMENT OF THE ARMORY BUILDING, LOCATED AT 128 NW 11TH AVENUE IN THE RIVER DISTRICT URBAN RENEWAL AREA**

**WHEREAS**, on November 19, 2003, the Portland Development Commission ("PDC") Board of Commissioners ("Board") approved Resolution No. 6073 authorizing PDC to loan up to \$4,600,000 to assist with the financing of the acquisition and redevelopment of 128 NW 11th Avenue into a world-class, sustainable performance arts facility ("Armory Building");

**WHEREAS**, the Armory Building redevelopment was completed in 2006 as the first Leadership in Energy and Environmental Design Platinum-rated performing arts center in the world and its primary tenant, Portland Center Stage("PCS"), has become one of the top 20 regional theater companies in the United States;

**WHEREAS**, PCS, the tenant of the Armory Building, has requested that PDC restructure the loans; and

**WHEREAS**, the PDC Board believes that it is in the best interests of the city of Portland to assist PCS by restructuring the loans in exchange for commitments from PCS to provide robust community benefits over the next decade.

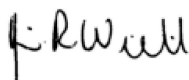
**NOW, THEREFORE, BE IT RESOLVED**, that the PDC Board authorizes the Executive Director to approve modifications to loan terms and conditions substantially in accordance with the terms set forth under Exhibit A to this resolution;

**BE IT FURTHER RESOLVED**, that the Executive Director may approve changes to the terms of Exhibit A, if such changes do not materially increase PDC's obligations or risks, as determined by the Executive Director in consultation with PDC's General Counsel;

**BE IT FURTHER RESOLVED**, that a plan for repayment of the loan on or before maturity be submitted to, and approved by, the PDC Board within two years; and

**BE IT FURTHER RESOLVED**, that this resolution shall become effective 30 days after its adoption.

**Adopted by Portland Development Commission on June 4, 2014**



**Terms of Loan Modifications for the Armory Building**

**Revisions to the PDC Note A Financing**

<b>Information Summary</b>	<b>Current PDC Note A</b>	<b>Proposed PDC Note A</b>
<b>Borrower:</b>	Portland New Markets Investment Fund, LLC	Armory Theater Fund
<b>Loan Amount:</b>	\$3,161,371.90 Original loan amount of \$2,599,621.91 plus accrued, capitalized interest of \$561,750	No Change
<b>Interest Rate:</b>	0% (original interest rate of 3% accrued from 3/31/2004 to 5/31/2011)	0%
<b>Payments History:</b>	None. All accrued interest capitalized. Principal payable at maturity	None. Principal payable at maturity
<b>Maturity:</b>	June 21, 2014	June 21, 2024
<b>Collateral:</b>	None, unsecured. PDC loans are junior in payments existing US Bank Senior Loan	Second Lien on the Armory Building. PDC loans are junior in payments to new StanCorp Mortgage Insurance Senior Loan

**Revisions to the PDC Note B Financing**

<b>Information Summary</b>	<b>Current PDC Note B</b>	<b>Proposed PDC Note B</b>
<b>Borrower:</b>	Portland New Markets Investment Fund, LLC	No change
<b>Loan Amount:</b>	\$2,000,000	\$0 Extinguished as a public investment
<b>Interest Rate:</b>	0%	
<b>Payments History:</b>	None.	Paid in full through past community benefits
<b>Maturity:</b>	June 21, 2014	June 21, 2014

**RESOLUTION NO. 7053**

**RESOLUTION TITLE:**

AUTHORIZING MODIFICATIONS IN THE LOANS USED TO FINANCE THE ACQUISITION AND REDEVELOPMENT OF THE ARMORY BUILDING, LOCATED AT 128 NW 11TH AVENUE IN THE RIVER DISTRICT URBAN RENEWAL AREA


Adopted by the Portland Development Commission on June 4, 2014

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Scott Andrews	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Aneshka Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Tom Kelly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Charles Wilhoite	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Regular Agenda		

**CERTIFICATION**

**The undersigned hereby certifies that:**

*The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and as duly recorded in the official minutes of the meeting.*

	<b>Date:</b>  July 16, 2014
<b>Gina Wiedrick, Recording Secretary</b>	