

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7069

AUTHORIZING A PURCHASE AND SALE AGREEMENT TO CONVEY 0.31 ACRES OF REAL PROPERTY IN THE OREGON CONVENTION CENTER URBAN RENEWAL AREA TO THE MORTENSON DEVELOPMENT COMPANY FOR \$1,300,000

WHEREAS, Portland Development Commission (“PDC”) is the owner of a 0.31-acre parcel, known as Block 47, which is located at the northwest corner of NE Martin Luther King, Jr. Boulevard and NE Holladay Street (the “Property”);

WHEREAS, PDC acquired the Property in 1999 for the express purpose of assisting with the acquisition of property for a headquarters hotel site (Resolution No. 4178);

WHEREAS, in 2006, PDC Board of Commissioner (“Board”) adopted a Development Vision for the Oregon Convention Center (“OCC”) Blocks, which includes the Property (Resolution No. 6355);

WHEREAS, StarTerra LLC owns or has the option to purchase 2.61 acres of property adjacent to the Property and has entered into an agreement with Mortenson Development Company (“Developer”) to develop that assemblage and construct a Convention Center Hotel (“Convention Hotel”);

WHEREAS, PDC has negotiated the terms of a proposed sale of the Property to Developer subject to PDC Board approval; and

WHEREAS, the proposed sale of the Property will assist with the development of a Convention Hotel and is consistent with the original acquisition purpose as well as the adopted Development Vision for the OCC Blocks and result in enhanced design and completion of the NE Holladay Street frontage across from the OCC.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to enter into a Purchase and Sale Agreement (“PSA”), substantially consistent with the terms outlined in the attached Exhibit A, with the Developer for the disposition of the Property for a purchase price no less than \$1,300,000;

BE IT FURTHER RESOLVED, that the Executive Director may approve changes to the PSA, 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; and

BE IT FURTHER RESOLVED, that this resolution shall become effective immediately upon its adoption.

Adopted by Portland Development Commission on August 13, 2014

A handwritten signature in black ink, appearing to read "Gina Wiedrick". The signature is written in a cursive, somewhat stylized font.

Gina Wiedrick, Recording Secretary

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EXHIBIT A

**AUTHORIZING A PURCHASE AND SALE AGREEMENT TO CONVEY 0.31
ACRES OF REAL PROPERTY IN THE OREGON CONVENTION CENTER
URBAN RENEWAL AREA TO THE MORTENSON DEVELOPMENT
COMPANY FOR \$1,300,000**

Exhibit A includes this cover page and contains four pages:

- July 28, 2014, Letter to Tom Lander, VP and General Manager, Mortensen Development

Tom Kelly
Chair

Aneshka Dickson
Commissioner

John C. Mohlis
Commissioner

Charles A. Wilhoite
Commissioner

Charlie Hales
Mayor

Patrick Quinton
Executive Director

July 28, 2014

Tom Lander
VP & General Manager
Mortensen Development
763.287.5487
tom.lander@mortenson.com

Re: Letter-of-Intent ("LOI") to sell Block 47.

Dear Tom:

Pursuant to our recent discussions, we are pleased to forward this offer to sell the property, commonly known Lots 5-7, Block 47 ("Property"). Subject to the terms and conditions of a final agreement between the Portland Development Commission ("PDC" or "Seller") and your client ("Buyer") for the sale of the Property (the "Agreement"), which shall not be legally binding unless and until approved by PDC's Board of Commissioners (the "Board"), PDC asks the following price, terms and conditions:

Property: NE Holladay St & NE MLK Blvd, totaling approximately 13,500 sqft. Seller shall deliver property with clear title, clean of all debris and all residents shall have been relocated.

Seller: Portland Development Commission
222 NW 5th Ave
Portland, Oregon 97209
Attn: Bruce Wood, Real Estate and Construction Manager
(503) 823-5375

Buyer: Mortenson Development &/or Assigns
700 Meadow Lane North
Minneapolis, MN 55422-4899
Attn: Tom lander

Price: \$1,000,000 - \$1,620,000
Final price to be determined via mediation, based upon alternative appraisals.

222 NW Fifth Avenue
Portland, OR
97209-3859

503-823-3200 Main
503-823-3368 Fax
503-823-3366 TTY

- Earnest Money:** \$25,000 earnest money deposit, applicable to purchase price, non-refundable upon waiver of standard contingencies to be outlined in the Agreement.
- Due Diligence:** Commencing on the effective date of the Agreement by both parties, Buyer shall have 120 days to complete all necessary due diligence and waive Buyer's contingencies. Seller shall use "best efforts" to provide access to Buyer and Buyer's consultants to complete due diligence as further detailed in the Agreement.
- Closing:** Buyer shall close no later than 60 days after Design Review Approval of the Convention Center Hotel Development.
- Brokerage:** Neither the Buyer nor Seller are represented by any Brokerage Firms.
- Form of Agreement:** Upon receipt of this signed LOI, Seller shall prepare the first draft of the Agreement and deliver to Buyer.
- Approvals:** This LOI is contingent upon review and recommendation by the PDC Financial Investment Committee, the PDC Executive Director and approval by the Board.
- Seller's Documents:** Upon mutual execution of this LOI, Seller will provide Buyer with a free copy of all existing, relevant property information, including but not limited to most recent property appraisals, geo tech and environmental reports, surveys, etc.
- Due Diligence Material:** In the event Buyer does not waive contingencies, Buyer shall provide Seller access to all Buyer's due diligence reports and materials.
- Offer:** The terms of this LOI are valid until 5:00 pm Aug 31 2014.

It is expressly understood by both parties that this LOI does not create any contractual rights or obligations on the part of either party. In no event shall any contractual rights or obligations exist until such time as the Agreement, after approval by the Board is fully executed and delivered by both parties. Accordingly, the parties agree not to rely on the terms of this LOI and that any obligations incurred, funds spent or business opportunities lost are at each party's sole risk.

If the terms outlined in this LOI are acceptable, please sign below where indicated and return this LOI to my attention. Upon receipt, PDC will prepare a draft Agreement for negotiation.

Sincerely,

Bruce Wood
Real Estate and Construction Manager

Acknowledged and Agreed

Date:

CC: Jina Bjelland

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RESOLUTION TITLE:

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PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Tom Kelly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Aneshka Dickson	<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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>	<input 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.

	<p>Date:</p> <p>August 13, 2014</p>
<p>Gina Wiedrick, Recording Secretary</p>	