

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6738

AUTHORIZING A PREDEVELOPMENT LOAN WITH PROJECT SEED, LLC IN AN AMOUNT NOT TO EXCEED \$100,000 FOR SCHEMATIC DESIGN FOR CENTENNIAL MILLS IN THE RIVER DISTRICT URBAN RENEWAL AREA.

WHEREAS, the Portland Development Commission (“PDC”) is undertaking the River District Urban Renewal Plan, adopted September 25, 1998 (the “Plan”), including acquiring and redeveloping properties for public improvements and providing the district access to the Willamette River;

WHEREAS, in 2000, PDC acquired the 4.7 acre Centennial Mills site pursuant to recommendations of the Plan with the intent to redevelop the property as part of an open space system for the River District Urban Renewal Area;

WHEREAS, in May 2005, the Portland City Council adopted Resolution No. 36320, recognizing that the Centennial Mills property stands “as a symbol of Portland’s rich history of maritime commerce and [as] a valuable artifact of the industrial working waterfront,” and directing PDC and the Bureau of Planning to work with interested stakeholders to develop a comprehensive plan for the Centennial Mills site;

WHEREAS, on October 11, 2006, the Portland City Council adopted the Centennial Mills Framework Plan (“Framework Plan”), developed by PDC together with the Bureau of Planning over a six-month public process, to reflect stakeholders’ key priorities for redevelopment of the site;

WHEREAS, between 2007 and 2008 PDC issued a competitive, two-phase solicitation to select a qualified development team to pursue a mixed-use project implementing the Framework Plan’s five key redevelopment principles;

WHEREAS, in March 2008, the PDC Board of Commissioners (“Board”) based on the recommendation of the Executive Director and an Evaluation Committee, selected LAB Holding, LLC for the disposition and redevelopment of Centennial Mills;

WHEREAS, on August 18, 2008, PDC and Project SEED, LLC (a development entity created by LAB Holding, LLC) entered into a Memorandum of Understanding setting forth the understandings and intents of the parties and forming the basis for negotiations of a Disposition and Development Agreement;

WHEREAS, on September 15, 2008, the PDC Executive Director authorized a predevelopment loan of up to \$200,000 and a predevelopment grant of up to \$200,000 to Project SEED, LLC to assist with hiring subcontractors to complete property related due diligence work, including structural engineering, geotechnical, and as-built survey and analysis, necessary to proceed with redeveloping Centennial Mills, because earlier property related due

diligence conducted by PDC assumed demolition rather than preservation of structures, as currently proposed;

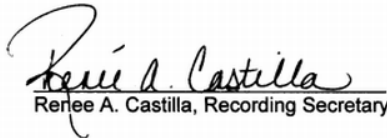
WHEREAS, PDC's Commercial Property Redevelopment Loan Guidelines require that any predevelopment loan above \$200,000 for a single project requires Board authorization; and

WHEREAS, PDC and Project SEED, LLC want to move the Centennial Mills project through schematic design, such that it is shovel ready once private financing and real estate markets improve.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the Executive Director to provide a predevelopment loan to Project SEED, LLC, for the completion of schematic design work for Centennial Mills located at 1362 NW Naito Parkway in the River District Urban Renewal Area, on terms substantially similar to the terms set forth in Exhibit A attached hereto, and in an amount not to exceed \$100,000; and

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

Adopted by the Portland Development Commission on September 23, 2009.


Renee A. Castilla, Recording Secretary

PDC

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Title:

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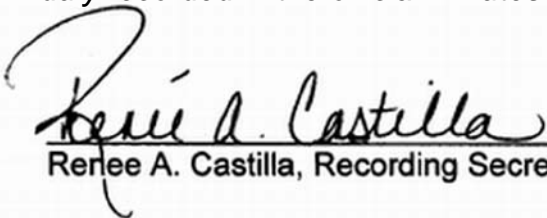
Adopted by the Portland Development Commission on September 23, 2009.

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 checked="" type="checkbox"/>	Commissioner Bertha Ferrán	<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 Steven Straus	<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"/> 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 duly recorded in the official minutes of the meeting.


Renee A. Castilla, Recording Secretary

Date: September 28, 2009

Predevelopment Loan Terms

Loan	Commercial Property Redevelopment Loan
Loan Amount	Up to \$100,000
URA/Project Code	River District H13104 – 330 – 390140
Purpose	<p>Predevelopment activities. Specifically, this loan will assist with schematic level architectural design, engineering, geotech, and landscape design at a total cost of \$311,279, including but not limited to:</p> <ul style="list-style-type: none"> ○ Utility and civil design plan ○ Lateral and gravity systems design for existing structures and engineering for new structures ○ Site assessment and energy benchmarking, laying the ground work for the LEED certification process ○ Mechanical, electrical, plumbing, lighting and technology diagrams ○ Options for repair and/or replacement of existing pilings ○ COE/DSL permitting, greenway approval, and riverbank development requirements
Loan Fee	none
Interest Rate	Predevelopment Loan: 3%
Term	Predevelopment Loan: 24 months
Payments	Predevelopment Loan: no payments
Collateral	Assignment of contracts and security interest in the work product
Lookback	Not Applicable
Guarantor	None
Total Project Cost	Not Applicable
Appraised Value	Not Applicable
Leverage Ratio	Not Applicable
Exception Requested	A) Loan forgiveness if borrower determines, prior to the final loan disbursement or within 30 days of final disbursement, and PDC concurs that the project is not financially feasible. If such a determination occurs, all documents, reports and any other work products funded with loan proceeds shall be promptly delivered to PDC.