

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7239

**AUTHORIZING THE EXECUTIVE DIRECTOR TO AMEND THE DISPOSITION
AND DEVELOPMENT AGREEMENT WITH PORTLAND STATE UNIVERSITY
FOR REDEVELOPMENT OF MULTIPLE PROPERTIES WITHIN THE
UNIVERSITY DISTRICT AREA AND UNIVERSITY PLACE SITE**

WHEREAS, Prosper Portland is the duly authorized urban renewal agency of the City of Portland (“City”), Oregon, and administers the City’s urban renewal plans;

WHEREAS, Portland State University (“PSU”), partner on the University District amendment to the Central City Plan as approved on July 1, 1995, by the City Council, is one of Oregon’s largest universities; a renowned provider of quality accessible higher education to Portlanders and the state; nationally recognized for community engagement, graduate education, research, and international exchange; and a major employer and contributor to economic activity in downtown Portland;

WHEREAS, Prosper Portland, the City, and PSU (the “Parties”) have a long history of partnership, including a June 2007 Intergovernmental Agreement setting forth general terms and conditions to cooperate in developing a long-term Framework Plan to guide PSU projects, reflect ongoing growth at PSU, and coordinate with related City planning and development efforts, including the City’s Central City 2035 planning efforts;

WHEREAS, in May 2014, by Resolution No. 37072 as Amended, City Council directed Prosper Portland and City staff to work on a package of urban renewal (“URA”) amendments which collectively would reduce impact of urban renewal on taxing jurisdictions; maintain resources for City economic development, redevelopment and affordable housing priorities; and continue to support PSU—a proposed package which included closing the Education District URA and expanding and extending the North Macadam URA;

WHEREAS, on December 14, 2014, the Prosper Portland Board of Commissioners (“Board”) through Resolution No. 7088 approved a Disposition and Development Agreement (“DDA”) between Prosper Portland and PSU outlining a series of development and redevelopment projects where Prosper Portland’s support of development in and around the University District would assist in economic activity within the Downtown and specifically the North Macadam URA;

WHEREAS, the subjects of this DDA are multi-year real estate developments or redevelopment projects (“Projects”) intended to provide the City with a mechanism to redress blight in accordance with and in furtherance of the North Macadam and South Park Blocks Urban Renewal Plans and continue to advance the mutually beneficial goals of the City, Prosper Portland and PSU; and

WHEREAS, the Parties intend that no part of the funds or the value of the property provided by Prosper Portland shall be used exclusively for education purposes but rather will be incorporated into Projects in conjunction with PSU funds and will be tax-generating, so as to be consistent with the limitations established in Article XI, Section 11b(1) of the Oregon Constitution;

WHEREAS, PSU is proceeding with the Jasmine Project (“Jasmine Block”) now referred to as 4th & Montgomery with project partners, Oregon Health & Sciences University, Portland Community College, and the City of Portland and has submitted for State of Oregon funding in the 2017 legislative session;

WHEREAS, Prosper Portland will provide payment of cash to PSU in lieu of transfer of the Jasmine Block;

WHEREAS, Prosper Portland will convey the Jasmine Block to PSU via purchase and sale agreement for development of the Project; and

WHEREAS, Prosper Portland will amend the DDA to adjust funding allocations and timelines for the redevelopment of the Budget Rent-A-Car and University Place sites.

NOW, THEREFORE, BE IT RESOLVED, that the Prosper Portland Board of Commissioners hereby authorizes the Executive Director to execute a Development Grant with PSU in the amount of \$7,490,000;

BE IT FURTHER RESOLVED, that the Executive Director is authorized to enter into a purchase and sale agreement with PSU with terms in accord with Exhibit A attached hereto;

BE IT FURTHER RESOLVED, that the Executive Director is authorized to make amendments to the DDA in accord with Exhibit B attached hereto;

BE IT FURTHER RESOLVED, that the Executive Director is authorized to approve other changes to the DDA if, after consultation with General Counsel, it is determined that such modifications do not materially change Prosper Portland’s obligations or risks; and

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

Adopted by the Prosper Portland Commission on June 14, 2017



Pam Micek, Recording Secretary

Jasmine Purchase and Sale Key Terms

Subject Property: as Jasmine Parcels are defined in the DDA;

Purchase price: \$7.49 million

Closing Condition: Tender of a note to secure the obligation to build taxable space;

Closing on or about August 31, 2017;

Minimal Due Diligence (PSU effectively controls the site now under a use permit and the site is paved);

Post-Closing: Construction to commence by 2019; Prosper Portland's Equity Policies, Green Build, and State Prevailing Wage policies apply

Restrictions: Develop Tax Increment Finance (TIF)-generating uses not less in value than \$7.49 million, secured by note;

Amendments
to
Portland State University Disposition and Development Agreement
(Primary Terms)

Jasmine Project

- Allow for a Development Grant in the amount of \$7.49 million
- Establish a Development Grant repayment obligation
- Establish a Purchase Price of \$7.49 million

Budget Project

- Increase financial support by \$3.84 million to \$5.84 million
- Obligate repayment or transfer to another approved project if failure to commence construction

University Place Project

- Decrease financial support by \$3.84 million to \$9.61 million
- Reset dates of performance
- Further reduce financial support by \$1.3 million per year of delay against reset performance dates



**PROSPER
PORTLAND**
Building an Equitable Economy

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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 Mark Edlen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Alisha Moreland-Capuia MD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner William Myers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Gustavo J. Cruz, Jr.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Consent Agenda 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 Prosper Portland Commission and as duly recorded in the official minutes of the meeting.

	Date: June 19, 2017
Pam Micek, Recording Secretary	