



**PROSPER**  
**PORTLAND**  
Building an Equitable Economy

**DATE:** November 13, 2024  
**TO:** Board of Commissioners  
**FROM:** Shea Flaherty Betin, Interim Executive Director  
**SUBJECT:** Report Number 24-54

Authorizing the Terms of the Sale of a 6,259 Square Foot Parcel of Prosper Portland-Owned Property in the Lents Town Center Tax Increment Finance District

### **BOARD ACTION REQUESTED AND BRIEF DESCRIPTION**

Adopt Resolution No 7587

This action by the Prosper Portland Board of Commissioners (Board) will authorize the Executive Director to execute a Term Sheet for the sale of a 6,259 square foot Prosper Portland owned property (Property) located at SE 90<sup>th</sup> Avenue and Foster Road in the Lents Town Center Tax Increment Finance (TIF) District (see a site map in Attachment A) to Robert Joki and Susan Joki (Buyer) for \$130,708. If approved, the Term Sheet would allow Prosper Portland to dispose of a vacant property it has held for over 30 years at fair reuse value.

### **STRATEGIC ALIGNMENT AND OUTCOMES**

This action will deliver on the agency's Financial Sustainability Plan objective to optimize financial return of the agency's existing real estate assets.

### **BACKGROUND AND CONTEXT**

On July 15, 1998, through Resolution No. 5142, the Prosper Portland Board authorized acquisition the Property with ultimate intent of redevelopment. However, the Property lacks functional vehicular access along its street frontage due to its unique location along the curve of the Foster/Woodstock Couplet, which severely limits any opportunities to develop the Property. Therefore, Prosper Portland has held the Property since acquisition.

In June 2022, Prosper Portland listed the Property for sale through a Request for Offers process. Since there were no parties interested in purchasing the Property, staff contacted adjacent property owners for their interest in acquisition, ultimately identifying the Buyer, who owns abutting property to the west.

The action is consistent with Prosper Portland's Real Property Policy. Prosper Portland obtained an appraisal on June 23, 2022, for the Property that estimated a fair market value of \$325,000 with the assumption that it had functional and legal access (it does not). In fall of 2022, Prosper Portland issued a Request for Offers for this property. Only one proposal was received, and the offer was for a \$1 per year ground lease and requested a development grant to facilitate development. Subsequently, staff reached out to an adjacent property owner to determine if there was interest in purchasing the Property with the potential of combining the lots to advance development of the site. The adjacent property owners Robert Joki and Susan Joki expressed interest in doing so.

Staff consider the proposed sale price of \$130,708 a fair reuse value given the access constraints and location, and such price represents the value at which the Prosper Portland has determined the Property should be made available in order that it may be redeveloped.

### **EQUITY IMPACT**

Neither the Green Building Policy nor the Construction Business Workforce Equity Policy will apply to this transaction, as the sale price falls below both policy's financial triggers.

### **COMMUNITY PARTICIPATION AND FEEDBACK**

While there has not been community engagement specific to this action, staff did extensive outreach in development of the Lents Five Year Action Plan, which included disposition of the Property as a priority.

### **BUDGET AND FINANCIAL INFORMATION**

Disposition of the Property for \$130,708, which was purchased in 1998 for \$100,000, exceeds the 2.5 percent return target listed in the Dagele Triangle Property Plan and the assumed sale price (\$42,000) in the 2023 Financial Sustainability Plan Update.

Property sales revenues are anticipated to transfer to the Strategic Investment Fund for reinvestment in Prosper Portland commercial property and working capital loan programs available citywide.

### **RISK ASSESSMENT**

There are no known legal or financial risks to this action. Transfer of the Property would reduce any agency operational or property management related risks. While community partners could express concern due to the sale occurring via direct negotiations, staff have issued multiple competitive requests for offers that have not yielded any feasible offers. Disposition of the Property to the Buyer creates a greater likelihood of future redevelopment.

### **ATTACHMENTS**

- A. Site Map

**SITE MAP**



SE 90<sup>th</sup> Avenue and Foster Road