

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7023

AUTHORIZING THE FIRST AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT TO CONVEY 0.76 ACRES OF REAL PROPERTY IN THE CENTRAL EASTSIDE URBAN RENEWAL AREA TO KEY DEVELOPMENT CORPORATION FOR \$1,542,000

WHEREAS, the Portland Development Commission (“PDC”) is the owner of a 0.76 acre parcel, known as Burnside Bridgehead Block 67, which is bounded by East Burnside Street, NE 3rd Avenue, and NE 2nd Avenue (the “Property”);

WHEREAS, PDC acquired the Property, along with Blocks 68, 76, and portions of Blocks 69 and 75 (the “Burnside Bridgehead Property”) to implement a multi-block mixed-use development;

WHEREAS, the City of Portland’s *Economic Development Strategy: a Five-Year Plan for Promoting Job Creation and Economic Growth* identifies the Burnside Bridgehead Property as a key catalytic site within the Central City and calls for the creation of a significant mixed-use gateway development at this location;

WHEREAS, the Burnside Bridgehead Framework Plan, adopted by the PDC Board of Commissioners (“Board”) on May 26, 2010, by Resolution No. 6800, established a strategic design approach for the redevelopment of the Burnside Bridgehead Property;

WHEREAS, PDC issued a Request for Interest (“RFI”) on July 15, 2010, seeking offers from qualified development teams to purchase and redevelop portions of the Burnside Bridgehead Property, including the Property, and a total of ten statements of interest were submitted in response to the RFI, including two statements of interest that were specific to the Property;

WHEREAS, the PDC Executive Director approved the selection of Key Development Corporation (“Key”) on October 8, 2010;

WHEREAS, on December 12, 2012, the PDC Board authorized PDC to enter into a binding Disposition and Development Agreement (“DDA”) with Key, which was executed on December 17, 2012;

WHEREAS, the DDA established a purchase price of ONE MILLION SIX HUNDRED AND FIFTY THOUSAND DOLLARS (\$1,650,000) based upon a fair market value appraisal which did not take into consideration any potential incremental environmental costs associated with redeveloping the Property;

WHEREAS, during the due diligence period of the DDA, Key and PDC identified approximately 2,000 tons of lightly contaminated soils on the western portion of the Property which will cost approximately \$108,000 to remove and dispose of in accordance with Oregon Department of Environmental Quality regulations; and

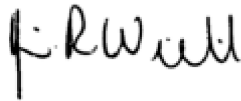
WHEREAS, PDC and Key have negotiated a First Amendment to the DDA substantially in the form attached hereto as Exhibit A (the “First Amendment to the Block 67 Disposition and Development Agreement”) to reduce the purchase price to ONE MILLION FIVE HUNDRED AND FORTY-TWO THOUSAND DOLLARS (\$1,542,000).

NOW, THEREFORE, BE IT RESOLVED, that the PDC Board authorizes the Executive Director to execute the First Amendment to the Block 67 Disposition and Development Agreement;

BE IT FURTHER RESOLVED, that the Executive Director may approve changes to the First Amendment to the Block 67 Disposition and Development Agreement 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 September 13, 2013



Gina Wiedrick, Recording Secretary

FIRST AMENDMENT TO AGREEMENT FOR DISPOSITION AND DEVELOPMENT OF PROPERTY

This FIRST AMENDMENT TO AGREEMENT FOR DISPOSITION AND DEVELOPMENT OF PROPERTY is made as of _____, 2013, (“First Amendment”) between the CITY OF PORTLAND, a municipal corporation of the State of Oregon, acting by and through the PORTLAND DEVELOPMENT COMMISSION, the duly designated urban renewal agency of the City of Portland (“PDC”) and KEY DEVELOPMENT CORPORATION, an Oregon corporation (“Developer”).

RECITALS

1. PDC and Developer entered into that certain Agreement for Disposition and Development of Property dated December 17, 2012, (the “Original DDA”) pursuant to which PDC agreed, under certain terms and conditions, to sell certain real property to Developer, and Developer agreed, under certain terms and conditions, to purchase and develop the property. A memorandum of the Original DDA was recorded on January 22, 2013, as Recording No. 2013-010519 in the real property records of Multnomah County.
2. During the due diligence period that followed execution of the DDA, the presence of lightly contaminated shallow soils was discovered. The cost of removing and disposing the soils is unknown at this time, but estimated to be approximately \$108,000.
3. The parties desire to reduce the Purchase Price by the current estimated cost of soil removal.
4. The parties do not intend to further adjust the Purchase Price in the event the actual cost of soil removal is greater or lesser than the estimated cost.

NOW, THEREFORE, the parties hereby agree as follows:

AGREEMENT

1. Purchase Price. Section 2.5 of the Original DDA is hereby deleted in its entirety and replaced with the following:

The purchase price for the Property is ONE-MILLION FIVE-HUNDRED FORTY-TWO THOUSAND DOLLARS (\$1,542,000)(the “Purchase Price”).

IN WITNESS WHEREOF, the parties hereto execute this First Amendment effective as of the date first set forth above.

PDC:

CITY OF PORTLAND, a municipal corporation of the State of Oregon, acting by and through the PORTLAND DEVELOPMENT COMMISSION, the duly designated urban renewal agency of the City of Portland

By: _____

Patrick Quinton,
Executive Director

APPROVED AS TO FORM:

PDC Attorney

DEVELOPER:

KEY DEVELOPMENT CORPORATION, an Oregon corporation

By: _____

Jeff Pickhardt
President

RESOLUTION NO. 7023

RESOLUTION TITLE:

AUTHORIZING THE FIRST AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT TO CONVEY 0.76 ACRES OF REAL PROPERTY IN THE CENTRAL EASTSIDE URBAN RENEWAL AREA TO KEY DEVELOPMENT CORPORATION FOR \$1,542,000


Adopted by the Portland Development Commission on September 13, 2013

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Commissioner Scott Andrews	<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"/>	Acting Chair 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 as duly recorded in the official minutes of the meeting.

	Date: September 16, 2013
Gina Wiedrick, Recording Secretary	