

**PORTLAND DEVELOPMENT COMMISSION**

Portland, Oregon

**RESOLUTION NO. 7054**

**AUTHORIZING A PURCHASE AND SALE AGREEMENT TO CONVEY 0.19 ACRES OF REAL PROPERTY IN THE CENTRAL EASTSIDE URBAN RENEWAL AREA TO BLOCK 76, LLC, FOR \$336,000**

**WHEREAS**, the Portland Development Commission (“PDC”) is undertaking the Central Eastside Urban Renewal Plan, adopted August 27, 1986, and subsequently amended (the “Plan”);

**WHEREAS**, PDC is the owner of a 0.19 acre parcel, known as Burnside Bridgehead Block 76W, which is bounded by East Burnside Street, NE Couch Street, and NE 3rd Avenue (the “Property”);

**WHEREAS**, PDC acquired the Property, along with Blocks 68, 76W, 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 approach for the redevelopment of the Burnside Bridgehead Property;

**WHEREAS**, PDC issued a Request for Interest on July 15, 2010, seeking offers from qualified development teams to purchase and redevelop portions of the Burnside Bridgehead Property, including the Property, and four development teams subsequently expressed interest in developing the Property;

**WHEREAS**, PDC issued a Request for Proposals on June 25, 2013, to the four development teams that had previously expressed interest in developing the Property;

**WHEREAS**, PDC and Key Development Corporation entered into a Memorandum of Understanding on October 21, 2013, which set forth the mutual understandings and intentions to

complete a series of due diligence scope items while negotiating the terms of a binding Purchase and Sale Agreement (“PSA”);

**WHEREAS**, Key Development Corporation subsequently established Block 76, LLC (“Developer”), for the purpose of carrying out this transaction; and

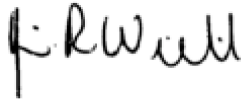
**WHEREAS**, PDC and Developer have negotiated the intended terms and conditions of a PSA, which are reflected in Exhibit A (Block 76W Purchase and Sale Agreement Terms), to convey the Property to Developer for a purchase price of THREE HUNDRED THIRTY SIX THOUSAND DOLLARS (\$336,000).

**NOW, THEREFORE, BE IT RESOLVED**, that the PDC Board authorizes the Executive Director to execute a PSA, in substantial accord with the terms and conditions reflected in Exhibit A;

**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 30 days after its adoption.

**Adopted by Portland Development Commission on June 4, 2014**



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Gina Wiedrick, Recording Secretary

**Block 76W Purchase and Sale Agreement Terms**

Property:	Northeast Corner of NE 3rd Avenue and East Burnside Street Portland, Oregon (Burnside Bridgehead Block 76 West)
Parcel Size:	8,414 square feet.
Developer:	Block 76, LLC.
Purchase Price:	\$336,000 in cash at Closing (less earnest money payment).
Earnest Money Payment:	10 percent of purchase price due within ten days of Effective Date.
Due Diligence Period:	30 days.
Closing:	Within 90 days of Effective Date.
Conditions Precedent to Closing:	<p>PDC shall have approved schematic design as being consistent with Burnside Bridgehead Framework Plan and PBOT and Multnomah County requirements related to the Slope Easement and Burnside Bridge.</p> <p>Developer shall have provided PDC a Business and Workforce Equity Plan documenting approach to compliance with PDC’s Equity Policy.</p> <p>Developer shall have registered the Project for Leadership in Energy and Environmental Design (LEED) certification and provided PDC with documentation evidencing anticipated credits sufficient to achieve at least LEED Silver certification consistent with PDC Green Building Policy.</p> <p>Developer shall have entered into non-remonstrance agreement for Burnside Bridgehead Local Improvement Districts.</p>
Development Obligations:	<p>Construct minimum two-story building with ground floor commercial that activates both NE Couch Street and NE 3rd Avenue.</p> <p>Construct publicly-accessible stairway connecting the Burnside Bridge and NE 3rd Avenue, or provide unencumbered pedestrian access from the Burnside Bridge to NE 3rd Avenue via NE Couch Street.</p> <p>Developer may not change building use from commercial without prior written PDC consent.</p>

Environmental:	Developer responsible for compliance with all Environmental Laws.
Escrow Holdback:	<p>Purchase Price to be held in escrow, and from this holdback, Developer will be reimbursed for extraordinary geotechnical costs by drawing down up to the entire Purchase Price as those costs are incurred and approved by PDC. These costs to include both extraordinary hard and soft costs specific to geotechnical costs.</p> <p>Funds remaining in escrow as of May 31, 2015, will be distributed to PDC.</p>
Lookback Provision:	At capital events occurring within five years of Project completion, Developer shall pay to PDC 10 percent of the property value that exceeds the certified total projects costs, with total payment to PDC not to exceed \$336,000.
Repurchase Right	PDC has a right to repurchase the Property for the original Purchase Price if Developer does not commence construction within three years of Effective Date.

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**RESOLUTION TITLE:**

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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 type="checkbox"/>	Commissioner Aneshka Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Tom Kelly	<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 type="checkbox"/>	Commissioner Charles Wilhoite	<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><b>Date:</b></p> <p style="text-align: center;">July 9, 2014</p>
<p><b>Gina Wiedrick, Recording Secretary</b></p>	