AUTHORIZING EXECUTION OF AN AGREEMENT TO PURSUE EXCLUSIVE NEGOTIATIONS WITH THE UNITED STATES POSTAL SERVICE RELATED TO THE POSSIBLE ACQUISITION OF THE 13.4-ACRE PROPERTY LOCATED AT 715 NW HOYT STREET, PORTLAND, OREGON, 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, and subsequently amended (the “Plan”);

WHEREAS, relocation and acquisition of the United States Postal Service (“USPS”) Processing and Distribution Center (“Property”) at 715 NW Hoyt Street in the River District Urban Renewal Area (“URA”) has long been envisioned by the general public, elected officials, and adopted land use and development plans;

WHEREAS, the 1988 Central City Plan and the 2001 Pearl District Development Plan approved by Portland City Council state that the City of Portland should reestablish a partnership with the USPS to redevelop and re-use portions of the site, and over the long term, encourage the relocation of the regional distribution facility, while retaining a postal facility to serve the River District URA;

WHEREAS, PDC has participated in negotiations with USPS since 2007, resulting in the PDC Board of Commissioners’ (“Board”) approval of a Letter of Intent (“LOI”) and Escrow Agreement through Resolution No. 6565 on March 28, 2008;

WHEREAS, following the expiration of the LOI and Escrow Agreement in 2013, PDC staff continued to work with USPS and recently discussed several key issues and a potential path forward to proceed with further negotiations regarding a possible purchase and sale of the Property; and

WHEREAS, PDC and USPS realize that more definitive information about a potential Replacement Facility is necessary before the parties can negotiate a Purchase and Sale Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the PDC Board authorizes the Executive Director to negotiate and execute an Agreement to Pursue Exclusive Negotiations (“Agreement”), in substantial
accord with the terms and conditions reflected in Exhibit A, and make a $500,000 payment to fund an Escrow Account established thereby, with the payments made therefrom to be applied as partial payment of the Purchase Price for the Property, in the event a formal Purchase and Sale Agreement is agreed upon and the sale closed, provided that either PDC or USPS may terminate such negotiations at any time for any reason, without liability;

BE IT FURTHER RESOLVED, that the Executive Director may approve changes to the 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 the Portland Development Commission on April 8, 2015

[Signature]

Gina Wiedrick, Recording Secretary
PROPOSED TERMS OF AGREEMENT TO PURSUE EXCLUSIVE NEGOTIATIONS

1. PDC agrees to make a payment to USPS in the amount of $500,000 in exchange for USPS agreeing to conduct exclusive negotiations with PDC to see if the parties can reach a mutually acceptable agreement for PDC to acquire USPS’s downtown Processing and Distribution Center at 715 NW Hoyt Street in Portland, provided that either PDC or USPS may terminate such negotiations at any time for any reason, without liability.

2. The payment shall be applicable to the Purchase Price in the event a formal Purchase and Sale Agreement is agreed upon and a closing occurs.

3. The $500,000 payment shall be placed in an Escrow Account for the benefit of the USPS, with the funds to be released to USPS to pay for mutually-acceptable costs associated with determining the feasibility of i) building a Replacement Facility in the Portland Metro Area and/or ii) PDC’s acquisition of the Property.
RESOLUTION TITLE:

AUTHORIZING EXECUTION OF AN AGREEMENT TO PURSUE EXCLUSIVE NEGOTIATIONS WITH THE UNITED STATES POSTAL SERVICE RELATED TO THE POSSIBLE ACQUISITION OF THE 13.4-ACRE PROPERTY LOCATED AT 715 NW HOYT STREET, PORTLAND, OREGON, IN THE RIVER DISTRICT URBAN RENEWAL AREA

Adopted by the Portland Development Commission on April 8, 2015

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☐ 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 Portland Development Commission and as duly recorded in the official minutes of the meeting.

Gina Wiedrick, Recording Secretary

Date:

April 9, 2015