

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6702

**AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE
THE FIRST AMENDMENT TO AGREEMENT FOR DISPOSITION
AND DEVELOPMENT OF PROPERTY IN THE INTERSTATE
CORRIDOR URBAN RENEWAL AREA WITH
KILLINGSWORTH, LLC, FOR DEVELOPMENT OF CERTAIN
PDC-OWNED PROPERTY AT THE NORTHEAST CORNER OF
NORTH INTERSTATE AVENUE AND NORTH
KILLINGSWORTH STREET**

WHEREAS, in furtherance of the objectives of Oregon Revised Statutes, Chapter 457, and Chapter XV of the Charter of the City of Portland, the Portland Development Commission (“PDC”), has undertaken a program for the development and redevelopment of blighted areas in the City and in connection therewith prepared and approved an Urban Renewal Plan for the Interstate Corridor Urban Renewal Area (“ICURA”), which was adopted by the Portland City Council of on August 23, 2000 (as amended from time to time, the “Urban Renewal Plan” or the “Plan”);

WHEREAS, the Plan, stipulates a general principal to optimize light rail investment through the creation of catalyst projects near light rail stations;

WHEREAS, the Interstate MAX Station Area Revitalization Strategy projects a demand for 1,700 to 3,400 new housing units in the vicinity of station areas along and near Interstate Avenue in the ICURA, serving a variety of income levels;

WHEREAS, the ICURA Housing Strategy includes goals to increase ownership opportunities for current and future residents and support expanded services, business and employment opportunities;

WHEREAS, to implement these goals, in 2001, PDC purchased certain real property located at the northeast corner of N. Killingsworth Street and NE. Interstate Avenue (the “Killingsworth Property”) to redevelop as a transit-supportive, mixed-use housing project (collectively, the “Project”);

WHEREAS, on July 9, 2008, the PDC Board of Commissioners (the “Board”) adopted Board Resolution No. 6620 authorizing the Executive Director to enter into a Disposition and Development Agreement to develop the Project on the Killingsworth Property (the “DDA”) with Killingsworth Station, LLC (the “Developer”), which Developer had been selected through a competitive solicitation process; and

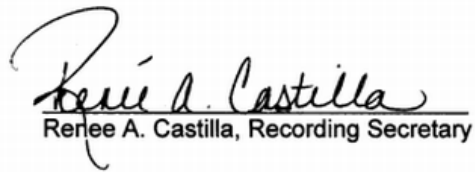
WHEREAS, PDC and Developer have negotiated changes to the DDA that take into account both residential condominium market and financing challenges in the current economic climate and desire to implement such changes in the First Amendment To Agreement For

Disposition And Development Of Property In The Interstate Corridor Urban Renewal Area (the "First Amendment").

NOW, THEREFORE, BE IT RESOLVED that the Executive Director is hereby authorized to execute the First Amendment with Killingsworth Station, LLC, substantially in the form attached hereto as Exhibit A; and

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

Adopted by the Portland Development Commission on May 14, 2009.



Renee A. Castilla, Recording Secretary

**FIRST AMENDMENT TO AGREEMENT FOR DISPOSITION AND DEVELOPMENT
OF PROPERTY IN THE
INTERSTATE CORRIDOR URBAN RENEWAL AREA**

This **FIRST AMENDMENT TO AGREEMENT FOR DISPOSITION AND DEVELOPMENT OF PROPERTY IN THE INTERSTATE CORRIDOR URBAN RENEWAL AREA** (this “**First Amendment**”) is effective as of April 23, 2009 (the “**Effective Date**”) 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 **KILLINGSWORTH STATION, L.L.C.**, an Oregon limited liability company (“**Developer**”). PDC and Developer may be referred to jointly in this First Amendment as the “**Parties**” or individually as a “**Party**”.

RECITALS

- A.** PDC and Developer entered into that certain AGREEMENT FOR DISPOSITION AND DEVELOPMENT OF PROPERTY IN THE INTERSTATE URBAN RENEWAL AREA dated July 9, 2008 (the “**Original DDA**”).
- B.** The Original DDA as amended by this First Amendment shall be referred to herein as the “**DDA**”.
- C.** PDC and Developer desire to amend the Original DDA to, among other things, revise the unit mix for the Project as set forth herein.

NOW THEREFORE, in consideration of the undertakings and mutual covenants of the Parties, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, PDC and Developer agree as follows:

AGREEMENT

- 1. Definitions.** The definition of “**Project**” in the Original DDA is hereby deleted in its entirety and replaced with the following: “means the Property, and the new improvements to be constructed by Developer on the Property, including two buildings with approximately 57 residential condominium units, 54 1-bedroom units, and three 2-bedroom units and approximately 9,000 square feet of ground-floor, neighborhood serving retail space. The Project construction type will consist of three stories of wood frame construction over a concrete ground floor with a commercial aluminum storefront system and post-tension concrete lid. Approximately 60% of the Project (34 units) shall be affordable to individuals earning no more than 80 percent of MFI consistent with the Affordable Housing Requirements and as further described in the Scope of Development set forth in Exhibit D.” Otherwise, capitalized terms used herein without definition shall have the meaning ascribed to them in the Original DDA.

2. **Schedule of Performance.** The Schedule of Performance attached to the Original DDA as Exhibit C is hereby deleted in its entirety and replaced with the Schedule of Performance attached hereto as Exhibit A.
3. **Scope of Development.** The Scope of Development attached to the Original DDA as Exhibit D is hereby deleted in its entirety and replaced with the Scope of Development attached hereto as Exhibit B.
4. **Amendments and Modifications.** The number “sixty (60)” in Section 10.15.3 of the Original DDA is hereby replaced with the number “ninety (90)”.
5. **Miscellaneous.** Except as expressly modified hereby, the DDA remains unmodified and in full force and effect. This First Amendment may not be amended except by a writing signed by the Parties. This First Amendment may be executed in counterparts, each of which shall constitute one agreement.

(Signatures appear on the following page.)

IN WITNESS WHEREOF, the Parties have executed this First Amendment to be effective on the Effective Date.

PDC:

CITY OF PORTLAND, a municipal corporation in the State of Oregon, acting by and through the Portland Development Commission as the duly designated Urban Renewal Agency of the City of Portland.

By: _____
Bruce A. Warner, Executive Director

APPROVED AS TO FORM:

Lisa Gramp, Assistant General Counsel
Portland Development Commission

DEVELOPER:

By: _____

Name: _____

Title: _____

Exhibit A

Schedule of Performance

	TASK	DUE DATE	STATUS
1	Closing/Conveyance of Property to Developer (Section 1.1)	3/1/10	
2	Final Determination Date (Section 1.5.3)	7/27/10	
3	Developer to complete construction and secure Certificate of Occupancy for the Project (Section 3.3.1)	9/1/11	
4	Developer to request Certificate of Completion from PDC	9/1/11	
5	PDC to issue Certificate of Completion (assuming compliance with DDA)	9/15/11	

Exhibit B

Scope of Development

General:

The project includes approximately 57 residential condominium units, 54 1-bedroom units, and three 2-bedroom units (the “Project”). Consistent with the Affordable Housing Requirements, approximately 60% of the Project (34 units) shall be affordable to individuals earning no more than 80 percent of MFI. Developer may designate which units will be the affordable units. The remaining 21 units will be sold at market rates. Approximately 9,000 square feet of ground floor retail space will be marketed as commercial condominiums to promote wealth creation and entrepreneurship opportunities for local and other small business owners. The Project includes approximately 16 one-car garages and approximately 34 on-site surface parking spaces for a total of approximately 50 parking spaces.

PDC

PORTLAND DEVELOPMENT COMMISSION

Resolution Number 6702

Title:

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE FIRST AMENDMENT TO AGREEMENT FOR DISPOSITION AND DEVELOPMENT OF PROPERTY IN THE INTERSTATE CORRIDOR URBAN RENEWAL AREA WITH KILLINGSWORTH, LLC, FOR DEVELOPMENT OF CERTAIN PDC-OWNED PROPERTY AT THE NORTHEAST CORNER OF NORTH INTERSTATE AVENUE AND NORTH KILLINGSWORTH STREET

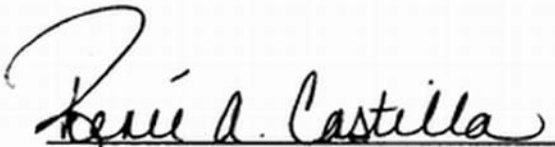
Adopted by the Portland Development Commission on May 14, 2009.

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Charles Wilhoite, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Scott Andrews	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Bertha Ferrán	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Steven Straus	<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 duly recorded in the official minutes of the meeting.


Renee A. Castilla, Recording Secretary

Date: June 4, 2009