

**PORTLAND DEVELOPMENT COMMISSION**  
Portland, Oregon

**RESOLUTION NO. 6831**

**AUTHORIZING AN \$8,105,000 COMMERCIAL PROPERTY REDEVELOPMENT LOAN TO 14<sup>TH</sup> & EVERETT INVESTORS, LLC FOR REHABILITATION OF 1417 NW EVERETT STREET IN THE RIVER DISTRICT URBAN RENEWAL AREA**

**WHEREAS**, the rehabilitation of 1417 NW Everett Street, formerly known as the Meier & Frank Warehouse, in the River District Urban Renewal Area (“URA”) will accommodate the North American headquarters of Vestas-American Wind Technology, Inc. (“Vestas”);

**WHEREAS**, redevelopment of this property for Vestas’ North American headquarters provides a unique opportunity to achieve redevelopment goals of the River District URA and the City’s Economic Development Strategy;

**WHEREAS**, retention and expansion of Vestas’ North American headquarters operations was identified as a Portland Development Commission (“PDC”) Urban Development Department Tier One Project in 2009 as part of implementing the City of Portland’s Economic Development Strategy;

**WHEREAS**, Vestas is an international leader in the wind industry, one of three Clean Technology (“Clean Tech”) clusters that PDC has focused on developing in the region;

**WHEREAS**, Vestas will retain 396 jobs in Portland and plans to add a minimum of 100 jobs within five years, helping to solidify the long-term position of Vestas as a Portland-based company while further enhancing Portland’s reputation as a global Clean Tech leader;

**WHEREAS**, Vestas has signed a 15-year lease for the entire Meier & Frank Warehouse, and the parent company (Vestas Wind Systems A/S) has guaranteed the lease obligations;

**WHEREAS**, approval of this loan will allow for the renovation of a vacant building on the National Register of Historic Buildings, and the rehabilitation will allow the former warehouse to be used for commercial office tenants and automated parking;

**WHEREAS**, the PDC Board of Commissioners (the “Board”) is required to authorize this \$8,105,000 Commercial Property Redevelopment Loan to 14<sup>th</sup> & Everett Investors, LLC, as exceptions to some loan program guidelines are required for this loan; and

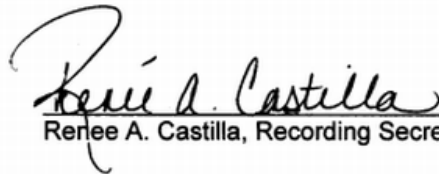
**WHEREAS**, the PDC loan will not be closed until the final construction drawings and final construction contracts for the core and shell have been reviewed and approved by PDC.

**NOW, THEREFORE, BE IT RESOLVED** that the Board authorizes a Commercial Property Redevelopment Loan to 14<sup>th</sup> & Everett Investors, LLC, in an amount not to exceed \$8,105,000 and on terms substantially consistent with the attached Exhibit A;

**BE IT FURTHER RESOLVED** that the Executive Director of PDC is hereby directed to negotiate and execute all instruments and agreements, subject to approval by the PDC General Counsel, with 14<sup>th</sup> & Everett Investors, LLC for the \$8,105,000 Commercial Property Redevelopment Loan; and

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

**Adopted by the Portland Development Commission on October 27, 2010.**



Renee A. Castilla, Recording Secretary

**EXHIBIT A**

**Commercial Property Redevelopment Loan Terms and Conditions**

The loan to 14<sup>th</sup> & Everett Investors, LLC is subject to approval by the PDC Board of Commissioners and will be conditioned upon Borrower's execution of definitive loan documents that are in a form and substance acceptable to PDC and its legal counsel and will have the following terms and conditions, among others as will be set forth in the loan documents:

|                                  |  |
|----------------------------------|--|
| <b>Borrower:</b>                 | 14 <sup>th</sup> & Everett Investors, LLC, comprised of M&F Historic Partners, LLC (acting as Borrower's Development Manager and Manager) and other investors. Development Manager and Manager for the project may not be changed without the prior consent of PDC.  |
| <b>Loan Amount:</b>              | \$8,105,000  |
| <b>Loan Term:</b>                | Construction period: the earlier of 24 months or the lease payment commencement date of the Vestas lease<br>Permanent loan: 15 year term   |
| <b>Loan Fee:</b>                 | No fee   |
| <b>Interest Rate:</b>            | 0.00%  |
| <b>Security:</b>                 | Subordinate deed of trust encumbering the project and the real property located at 1417 NW Everett Street in the city of Portland, Oregon  |
| <b>Guaranty:</b>                 | No Guaranty  |
| <b>Disbursement:</b>             | Disbursed for capital improvement costs incurred after loan closing, pursuant to construction draw approval process, after Borrower equity has been applied. PDC will not withhold any retainage.  |
| <b>Repayment:</b>                | Repaid at loan maturity when project is refinanced.  |
| <b>Sale of the Property</b>      | The property may not be sold without the consent of PDC. PDC's approval shall be limited to reasonably determining that the buyer will assume the PDC loan and has equal or better creditworthiness. The standards of consent will be negotiated and incorporated in the Loan Agreement.   |
| <b>PDC Programs:</b>             | Compliance with Business and Workforce Equity Policy<br>Compliance with the Green Building Policy  |
| <b>Loan Closing requirements</b> | Closing of PDC loan to occur simultaneous with other lender financing. Borrower will have provided evidence of compliance with Business and Workforce Equity Policy.<br>Borrower will have provided evidence of adequate current insurance coverage.<br>Final construction drawings and final construction contracts for the core and shell have been reviewed and approved by PDC.<br>PDC construction advisor for the project will have reviewed final construction documents for the core and shell (including contracts, permits and schedules) and is satisfied the project can be constructed as planned and budgeted. |

# PDC

PORTLAND DEVELOPMENT COMMISSION

## Resolution Number 6831

Title:

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PROPERTY REDEVELOPMENT LOAN TO 14<sup>TH</sup> &  
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1417 NW EVERETT STREET IN THE RIVER DISTRICT  
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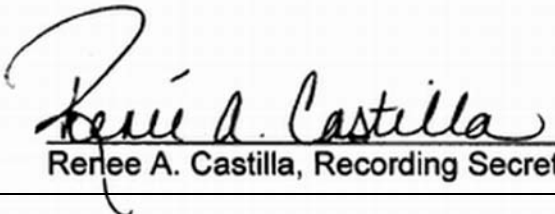
Adopted by the Portland Development Commission on October 27, 2010.

| PRESENT<br>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 checked="" type="checkbox"/>     | Commissioner Aneshka Dickson  | <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 Steven Straus    | <input 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 duly recorded in the official minutes of the meeting.*

  
Renee A. Castilla, Recording Secretary

Date: December 15, 2010