

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6907

**AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE
AND EXECUTE AN AGREEMENT FOR THE 10TH AND
YAMHILL GARAGE AND GALLERIA BUILDING WITH BILL
NAITO COMPANY**

WHEREAS, PDC currently has reserved funds in its five year budget forecast for a potential redevelopment of the 10th and Yamhill property, owned by the City of Portland;

WHEREAS, the Bill Naito Company, owners of the Galleria Building, located across the street from the 10th and Yamhill property, is currently negotiating to make major improvements and renovations to the Galleria Building to accommodate a large new retail use of approximately 80,000 square feet;

WHEREAS, the potential new retail tenant of the Galleria Building requires assurances that the parking presently available on the 10th and Yamhill property will be available for public use during the first two years the tenant is open for business;

WHEREAS, PDC believes that the proposed improvements to the Galleria Building will help invigorate the Central City, will advance the goals of the Downtown Retail Strategy, and will benefit the future redevelopment of the 10th and Yamhill property;

NOW, THEREFORE, BE IT RESOLVED the Executive Director is hereby authorized to negotiate and enter into a negative financing agreement with the Bill Naito Company, substantially according to the terms of the Term Sheet attached hereto as Exhibit A, that would prohibit PDC from funding any 10th and Yamhill project that would result in a material reduction in parking availability until at least two years after a major retail tenant opens for business in the Galleria Building;

BE IT FURTHER RESOLVED that the Executive Director, in consultation with the General Counsel, may approve changes to the Term Sheet if such modifications do not materially change PDC's obligations or risks from those contained in the Term Sheet attached hereto;

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

Adopted by the Portland Development Commission October 26, 2011.


Recording Secretary

PDC

PORTLAND DEVELOPMENT COMMISSION

Resolution Number 6907

Title:

**AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE
AND EXECUTE AN AGREEMENT FOR THE 10TH AND
YAMHILL GARAGE AND GALLERIA BUILDING WITH BILL
NAITO COMPANY**

Adopted by the Portland Development Commission on October 26, 2011.

| 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 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 checked="" type="checkbox"/> | Commissioner Steven Straus | <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 duly recorded in the official minutes of the meeting.



Recording Secretary

Date: October 26, 2011

**TERM SHEET
PDC NEGATIVE FINANCING COVENANT
GALLERIA BUILDING**

| | |
|---|--|
| Negative Financing Covenant | PDC will not provide financing for any demolition, redevelopment or rehabilitation of the 10 th and Yamhill parking structure that results in a material decrease in the parking available in that structure. |
| Duration of Covenant | The covenant will remain in effect until the earlier of (a) failure to commence construction of improvements described below by May 15, 2012, (b) failure of Galleria tenant to open for business to the public by December 31, 2013, or (c) the second anniversary of the opening of the Tenant store. |
| Remedy for Breach of Covenant | The sole remedy for breach of the negative financing covenant shall be equitable relief in the form of a temporary restraining order or injunction. PDC will contractually agree that since there is no adequate remedy at law for breach of the covenant, that Owner shall be entitled to equitable relief. |
| Parties | PDC and the owner of the Galleria Building, with its prospective Tenant as an intended third party beneficiary of the negative financing covenant. PDC will record PDC’s negative covenant in real property records of 10 th and Yamhill property. |
| Condition of Galleria Building Owner | Galleria Building owner renovating the Galleria Building to accommodate a tenant that occupies at least 80,000 square feet of floor area (the “Condition”). |
| Authorization by PDC Board | Agreement on definitive documentation and authorization by the PDC Board of Commissioners. |