

**PROSPER PORTLAND**

Portland, Oregon

**RESOLUTION NO. 7407**

**APPROVING THE TERMS OF A SPECIAL AUTHORITY LOAN OF UP TO  
\$2,362,000 TO THE PORTLAND CHINATOWN HISTORY FOUNDATION  
FOR PURCHASE OF THE KIDA BUILDING IN THE RIVER DISTRICT TAX  
INCREMENT FINANCE DISTRICT**

**WHEREAS**, Prosper Portland is undertaking the River District Urban Renewal Plan, adopted by Portland City Council through Ordinance No. 172808 on October 21, 1998, as subsequently amended and modified (“Plan”);

**WHEREAS**, the Old Town/Chinatown Five-Year Action Plan (“OTCT Action Plan”) was accepted by Portland City Council by Ordinance No. 186744, enacted on August 6, 2014, and reauthorized by City Council by Resolution No. 37445, adopted on September 4, 2019;

**WHEREAS**, the OTCT Action Plan established a strategic approach to revitalizing Old Town/Chinatown including promoting development of properties and partnering with key cultural institutions;

**WHEREAS**, the Portland Chinatown History Foundation (“PCHF”) currently leases an approximately 9,500 square foot building located at 119-139 NW 3<sup>rd</sup> Avenue in Portland, Oregon within the River District Urban Renewal Area (“Property”), where it operates the Portland Chinatown Museum;

**WHEREAS**, PCHF’s lease provides an option for PCHF to purchase the Property;

**WHEREAS**, extending a loan to PCHF would allow the Property to become the permanent home of the Portland Chinatown Museum and offices of PCHF, and would further the goals of the OTCT Action Plan and the Plan by facilitating property redevelopment and enhancing partnerships with key public partners; and

**WHEREAS**, Prosper Portland and PCHF have negotiated a term sheet (“Term Sheet”) for a loan to PCHF, which is attached to this Resolution as Exhibit A.

**NOW, THEREFORE, BE IT RESOLVED**, that the Prosper Portland Board of Commissioners authorizes the Executive Director to execute a loan with PCHF for the acquisition and subsequent renovation of the Property substantially in accordance with the provisions of the Term Sheet;

**BE IT FURTHER RESOLVED**, that the Executive Director is authorized to negotiate changes to the terms of the Term Sheet if such changes do not materially increase Prosper Portland’s obligations or

risks, as determined by the Executive Director in consultation with Prosper Portland’s General Counsel;  
and

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

Adopted by the Prosper Portland Commission on December 16, 2020



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Pam Feigenbutz, Recording Secretary

**Proposed Terms and Conditions of Prosper Portland Special Authority Loan**

Borrowing Entity:	Portland Chinatown History Foundation, a non-profit organization
Loan Program:	Special Authority Loan
Loan Amount:	Up to \$2,362,000.00
Uses of Funds:	Finance purchase of property for renovation
Loan Fee:	1.0% of the loan amount (\$23,620.00), financed
Interest Rate:	2.5% annual fixed rate
Term:	5 year term, with an option to extend maturity by one year at Prosper Portland’s discretion
Repayment:	Monthly payments of \$3,000 for Year 1; \$4,000 for Year 2; and \$5,000 thereafter. Interest reserve to fund interest payment shortfalls Years 1-2. Outstanding balance due at maturity.
Interest Reserve:	\$45,000, to fund interest payment shortfalls in Years 1 and 2 of repayment.
Collateral:	First position deed of trust on the property and lien on business assets, with exclusions for culturally and historically significant items
Guarantors:	None
Program Guideline Exceptions:	Not applicable – this is a loan pursuant to authority delegated by this Resolution and is not part of a broader Prosper Portland loan program
Prosper Portland Policies:	The Phase I Project will be required to comply with Prosper Portland’s Business Equity and Workforce Equity programs, but not the Green Building Policy due to the nature of the work (seismic and façade only, which cannot independently attain applicable certification). The parties will seek a prevailing wage determination from BOLI to determine whether Phase I, Phase II or both are subject to prevailing wage requirements before construction commences.
Reporting:	Quarterly updates on the capital campaign and project design / construction showing progress against anticipated project timeline in a format approved by Prosper Portland for the duration of the loan
Phases of Construction:	Loan to be fully repaid by the earlier to occur of the maturity date or commencement of Phase II of the construction (addition of a second half floor of offices and additional museum space) or any additional

	renovations beyond those contemplated by Phase I (historic façade restoration and seismic upgrades).
Prepayment / Transfer of Development Rights:	Prepayment allowed at any time during the term of the loan without penalty, however any sale of air rights or other transaction with potential to affect the value of the collateral property would require Prosper Portland approval in its sole discretion.
Proceeds of Property Sale:	No sale or transfer is permitted before repayment in full of the loan without Prosper Portland’s prior written consent; this consent may be conditioned upon payment of 100% of the net sale proceeds from such a sale to Prosper after repayment of the loan amount and costs of sale
Other:	Borrower would provide additional information, execute and deliver additional agreements and documents, and comply with additional terms and conditions, in connection with the loans, as Prosper Portland may reasonably require.



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Building an Equitable Economy

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**RESOLUTION TITLE:**

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PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Gustavo J. Cruz, Jr.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Francesca Gambetti	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Peter Platt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Serena Stoudamire Wesley	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner William Myers	<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 Prosper Portland Commission and as duly recorded in the official minutes of the meeting.*

	<p><b>Date:</b></p> <p>December 18, 2020</p>
<p><b>Pam Feigenbutz, Recording Secretary</b></p>	