

**PROSPER PORTLAND**

Portland, Oregon

**RESOLUTION NO. 7430**

**APPROVING TERMS FOR LEASE AGREEMENTS AT THE NICK FISH;  
AUTHORIZING ADDITIONAL FUNDING FOR BUILD-OUT OF  
COMMERCIAL SPACE**

**WHEREAS**, in 2001, the Prosper Portland Board of Commissioners (“Board”) approved, and the Portland City Council adopted, the Gateway Regional Center Urban Renewal Plan;

**WHEREAS**, pursuant to an Intergovernmental Agreement authorized by the Prosper Portland Board through Resolution No. 6641, adopted November 12, 2008, Prosper Portland and the Bureau of Parks and Recreation (“PP&R”) jointly acquired approximately 4.2 acres of property at NE Halsey Street and NE 106<sup>th</sup> Avenue (“Property”);

**WHEREAS**, the Gateway Action Plan, presented to the Prosper Portland Board in July 2016 and approved by City Council Resolution No. 37228 on August 10, 2016 (“Gateway Action Plan”), sought to reestablish the role of the Halsey/ Weidler Business District “as a vibrant commercial main street district that provides opportunities for existing businesses to thrive and to attract new investment”, consistent with the Gateway Regional Center Urban Renewal Plan;

**WHEREAS**, a portion of the Property was used by PP&R for development of Gateway Discovery Park, and the remainder became the site of the Prosper Portland-sponsored multi-use project known as The Nick Fish (formerly referred to as Halsey 106) (“Project”);

**WHEREAS**, the Prosper Portland Board authorized terms of the development of the Project pursuant to Resolution No. 7321, adopted July 10, 2019;

**WHEREAS**, as part of the Project, Prosper Portland retained ownership and control of the approximately 11,000 square feet of ground floor retail space within the Project, with the intention of offering the retail space as part of Prosper Portland’s Affordable Commercial Tenanting Program;

**WHEREAS**, the Prosper Portland Board set aside funding in an amount not to exceed \$3,500,000 for improvements to the retail space, including tenant improvements, pursuant to Resolution No. 7366, adopted April 8, 2020 (“Initial Tenant Improvement Funding Resolution”);

**WHEREAS**, through a commercial real estate broker, Prosper Portland has begun marketing the space and developing a list of potential tenants;

**WHEREAS**, pursuant to the Disposition and Leasing of Real Property Policy, adopted by the Prosper Portland Board through Resolution No. 7301 on February 13, 2019, staff is seeking the Prosper Portland Board’s approval of general parameters of commercial lease terms, as described on Exhibit A

(“Lease Terms Summary”), to enable the negotiation and execution of leases consistent with the Lease Terms Summary without further approval by the Prosper Portland Board on a lease-by-lease basis; and

**WHEREAS**, prospective tenants’ needs for tenant improvement assistance are anticipated to be higher than initially projected at the time the Initial Tenant Improvement Funding Resolution was adopted, and therefore staff is also seeking to increase the funding authorized pursuant to the Initial Tenant Improvement Funding Resolution by \$150,000, to an amount not to exceed \$3,650,000.

**NOW THEREFORE, BE IT RESOLVED**, that Prosper Portland Board authorizes the Executive Director to enter into leases, and extensions and modifications or amendments of leases, consistent with the Lease Terms Summary attached to this Resolution as Exhibit A;

**BE IT FURTHER RESOLVED**, that the funding authorization provided by the Prosper Portland Board in Resolution No. 7366, adopted April 8, 2020, is increased to a new not to exceed amount of \$3,650,000; and

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

Adopted by the Prosper Portland Commission on July 16, 2021



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Pam Feigenbutz, Recording Secretary

**Lease Terms Summary**

Maximum Total Term (initial term and option periods)	Up to 15 Years
Lease Rates	\$15 - \$20 / rentable square foot triple-net (NNN)
Tenant Improvement (TI) Allowances / Grants	<p>Tenants <u>other than</u> Priority Tenants (defined below) may receive a TI allowance of up to \$40 per square foot (or such lesser amount as may be determined by Prosper staff based on tenant needs and underwriting). This allowance will be capitalized into the rental rate or otherwise recouped by Prosper; therefore, it is possible that the effective lease rates for non-Priority Tenants could effectively exceed the \$20 / rsf figure stated above to recoup the allowance.</p> <p><u>Priority Tenants</u> may receive a TI allowance of up to 75% of their TI costs or \$75,000, whichever is less. The TI allowance provided to Priority Tenants is a grant and will not be capitalized into rent or otherwise recouped by Prosper (thus, the effective lease rate, factoring in this TI allowance, could potentially be less than the \$15 / rsf figure stated above, since the TI allowance is a grant).</p>
Priority Tenant Definition	<p>“Priority Tenant” means a tenant that scores at least 10 points on the following criteria (as determined by Prosper staff):</p> <ul style="list-style-type: none"> <li>• <u>Active</u> (maximum 3 points). A high-scoring prospective tenant in this category will ideally meet more than one of the criteria below, but may receive full points by excelling at one:             <ul style="list-style-type: none"> <li>○ Open to the public with consistent hours at least in the range of 10 AM – 7 PM.</li> <li>○ The prospective tenant’s plans for the space would, with their outward appearance, contribute to a sense of life, activity, and vibrancy.</li> <li>○ The proposed use would be a “destination,” drawing in people from around the neighborhood or the city.</li> </ul> </li> <li>• <u>Cross-Pollination with Other Uses</u> (maximum 4 points). A high-scoring prospective tenant in this category will ideally meet more than one of the criteria below, but may receive full points by excelling</li> </ul>

	<p>at one:</p> <ul style="list-style-type: none"> <li>○ Anticipated to drive traffic to other businesses on the property.</li> <li>○ Anticipated to drive traffic to other businesses <u>nearby</u> (i.e., Halsey / Weidler streets).</li> <li>○ Dovetails with nearby park uses and other retail mix on-site.</li> <li>● <u>Priority Use</u> (maximum 3 points). Proposed uses will be scored as follows:             <ul style="list-style-type: none"> <li>○ Anchor restaurant (3 points)</li> <li>○ Retail space or maker space (2 points)</li> <li>○ Personal services (1 point)</li> <li>○ Other uses (0 points)</li> </ul> </li> <li>● <u>Priority Population</u> (4 points) – businesses owned by long term Gateway-area residents, BIPOC individuals, women, and low-income individuals / individuals from other underrepresented populations are priority populations.</li> <li>● <u>Tenant’s Service Area</u> (maximum 4 points). A prospective tenant’s service area will be scored as follows, based upon the area Prosper Portland staff anticipates will be primarily served by the tenant:             <ul style="list-style-type: none"> <li>○ Gateway / East Portland (4 points)</li> <li>○ Portland metropolitan area (3 points)</li> <li>○ Pacific Northwest region (2 points)</li> <li>○ All other service areas (1 point)</li> </ul> </li> <li>● <u>Business Experience</u> (maximum 2 points). A tenant will receive a maximum of 2 points if it demonstrates its ownership or management has strong experience in a similar business to the proposed use, or if it has some experience in the industry and commits to receiving business technical assistance.</li> </ul> <p>A maximum of 20 points is possible. A tenant need not be a Priority Tenant in order to be eligible to lease space within the property; Priority Tenant status is used solely for determining eligibility for enhanced TI allowances (as described above).</p>
Non-Permitted Uses	The following uses are not permitted:

	<ul style="list-style-type: none"><li>• Businesses not open to the public (i.e., appointment only, or business used exclusively as private office space)</li><li>• Unlawful uses / uses not permitted by applicable land use regulations</li><li>• National chains</li><li>• Adult-only uses</li><li>• Uses that would require fully covering windows</li><li>• Uses that would be prohibited by the Condominium Declaration or Bylaws governing the Nick Fish development</li></ul>
Temporary Uses / Permits of Entry	Prosper may enter into short-term “pop-up” arrangements to maximize site activation and draw interest, and may enter into alternative lease rate arrangements for those short-term arrangements as deemed reasonable by the Executive Director, so long as such alternative arrangements do not exceed six (6) months in duration at any one time (provided that additional 6 month extensions may be granted up to twice in the Executive Director’s discretion).



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PORTLAND**  
Building an Equitable Economy

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**RESOLUTION TITLE:**

APPROVING TERMS FOR LEASE AGREEMENTS AT THE NICK FISH; AUTHORIZING  
ADDITIONAL FUNDING FOR BUILD-OUT OF COMMERCIAL SPACE


Adopted by the Prosper Portland Commission on July 16, 2021

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 type="checkbox"/>	Commissioner Peter Platt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Serena Stoudamire Wesley	<input 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.*

	<b>Date:</b>  July 16, 2021
<b>Pam Feigenbutz, Recording Secretary</b>	