

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7446

AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH 15TH & KILLINGSWORTH LLC AND 1463 KILLINGSWORTH LLC TO ACQUIRE PROPERTY LOCATED AT 1455 NE KILLINGSWORTH AND 1463 NE KILLINGSWORTH FOR \$1,700,000

WHEREAS, Prosper Portland and the City of Portland created the Interstate Corridor Tax Increment Finance District (“Interstate TIF District”) in August 2000, through adoption of the Interstate Corridor Urban Renewal Plan (as subsequently amended, the “Interstate Plan”);

WHEREAS, the Portland City Council adopted the North/Northeast Community Development Initiative Action Plan (“N/NE Action Plan”), through Ordinance No. 37264 on January 26, 2017, to guide Prosper Portland’s activities and investments of \$32,000,000 of tax increment resources under the Interstate Plan, in order to foster wealth creation opportunities and community prosperity for people who have not benefited from public investments in the past, including People of Color and particularly Black Portlanders who have been displaced from the area;

WHEREAS, the N/NE Action Plan Leadership Committee (“Leadership Committee”) is comprised of individuals who work and/or who have lived-experience in the Interstate TIF District and who provide recommendations to Prosper Portland regarding the implementation of the Interstate Plan and the N/NE Action Plan;

WHEREAS, the property within the Interstate TIF District located at 1455 and 1463 NE Killingsworth Street (“Property”), consists of two parcels totaling approximately 10,000 square feet, and is owned by 15th & Killingsworth LLC and 1463 Killingsworth LLC, respectively (“Sellers”);

WHEREAS, Prosper Portland and Sellers, who are willing sellers of the Property, have negotiated a term sheet attached as Exhibit A to this Resolution, which contains the material terms of a purchase and sale agreement for Prosper Portland’s acquisition of the Property for \$1,700,000; and

WHEREAS, acquisition of the Property would further the goals of the Interstate Plan and the N/NE Action Plan, is supported by the Leadership Committee, and would benefit the City of Portland by providing an opportunity to inform the creation of a property disposition program that could offer a path to property ownership that maximizes wealth creation opportunities for targeted communities.

NOW THEREFORE, BE IT RESOLVED, that the Prosper Portland Board of Commissioners (“Board”) finds that the acquisition of the Property is necessary to achieve the objectives of the Interstate Plan;

BE IT FURTHER RESOLVED, that the Prosper Portland Board approves the terms for acquisition of the Property attached hereto as Exhibit A, and authorizes the Executive Director to execute a purchase and sale agreement, in substantial accord with the attached term sheet;

BE IT FURTHER RESOLVED, that the Executive Director may approve changes to the terms of this acquisition if modifications, in the opinion of Prosper Portland's Executive Director in consultation with Prosper Portland's General Counsel, do not materially increase Prosper Portland's obligations or risks;

BE IT FURTHER RESOLVED, that the Prosper Portland Board authorizes the Executive Director to take such further actions and execute other documents as may be necessary or appropriate to complete the transaction described in the term sheet attached as Exhibit A, including, without limitation, acceptance of deeds, and execution of easements, leases, or other agreements, instruments, amendments, certificates, and documents, so long as such actions do not materially increase Prosper Portland's financial obligations or materially alter Prosper Portland's risks, as determined in consultation with the General Counsel; and

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

Adopted by the Prosper Portland Commission on

February 9, 2022



Pam Feigenbutz, Recording Secretary

Term Sheet – Proposed Terms

1. <u>Parties</u>	This Term Sheet is made between Prosper Portland and Owner, regarding 1455 and 1463 NE Killingsworth Street (the “Property”). Prosper Portland may assign its interest under the Purchase and Sale Agreement to a 3rd party without the prior written consent of Owner.
2. <u>Property</u>	The Property totals 10,000 square feet and is comprised of two parcels located in Portland’s Interstate Corridor Urban Renewal Area: 1455 NE Killingsworth Street (R229093): 5,000 square feet 1463 NE Killingsworth Street (R229094): 5,000 square feet
3. <u>Uses</u>	Zoning: CM2 – commercial mixed use (allowing for office, residential, retail uses) up to 45 feet in height.
4. <u>Owner</u>	15 th & Killingsworth LLC 1463 Killingsworth LLC Managed by Suresh Paranjpe and Sheela Paranjpe
5. <u>Purchase Price</u>	\$1,700,000, payable in cash at closing from the Interstate Corridor Tax Increment Financing funds
6. <u>Earnest Money</u>	\$25,000 as earnest money (“Earnest Money”) to be deposited by Prosper Portland into escrow at Lawyer’s Title within three (3) business days following execution of the Purchase and Sale Agreement. The Earnest Money will be returned to Prosper Portland if it terminates the Purchase and Sale Agreement due to dissatisfaction with the Property on or before the expiration of the due diligence period, described below. Upon expiration of the due diligence period, the Earnest Money will become non-refundable, except in the event of a default by Owner or as otherwise set forth in the Purchase and Sale Agreement. The Earnest Money will be applied to the purchase price at closing.
7. <u>Due Diligence Scope & Timeframe</u>	The following key activities, among other investigations required by Prosper Portland, may be undertaken at Prosper Portland’s cost, during the due diligence period, as part of its due diligence on the Property: <ul style="list-style-type: none">- Title review (substantially completed)- Broker Opinion of Value (substantially completed)- Site Survey- Environmental Phase 1- Building Survey (potentially for 1463 NE Killingsworth)- Lease (Estoppel Certificates may be required) Due Diligence Period: No longer than ninety (90) days, commencing upon full execution of the Purchase and Sale Agreement. Prosper Portland must notify Owner if its due diligence is completed prior to the deadline and the parties will select the earliest possible closing date thereafter.

	<p>Owner will provide Prosper Portland documents in Owner's possession relevant to Prosper Portland's due diligence investigations, for review by Prosper Portland during the due diligence period.</p> <p>Prosper Portland will have the right to terminate the Purchase and Sale Agreement during the due diligence period, and will notify the Owner at the earliest opportunity if the Property is unacceptable to Prosper Portland.</p>
8. <u>Exclusivity</u>	<p>Prosper Portland and Owner will negotiate in good faith to finalize a Purchase and Sale Agreement for the Property within thirty (30) days after signing of this letter of intent (the "Negotiation Period"). During the Negotiation Period, Owner will not pursue or negotiate with, or market the Property to, any other party. If the parties do not finalize the Purchase and Sale Agreement prior to the end of the Negotiation Period, this letter and the exclusivity provided will immediately become null and void and the parties will have no other obligations to one another.</p>
9. <u>Closing Conditions</u>	<p>Prosper Portland must have accepted the Property and the results of its due diligence investigations and not terminated the transaction during the due diligence period.</p> <p>Seller may use a 1031 Exchange and will be responsible for all costs associated with this activity</p> <p>Approval by Prosper Portland's Board of Commissioners of the transaction.</p>
10. <u>Closing Date</u>	<p>The closing date will be no later than thirty (30) days after the expiration of the due diligence period. If Prosper Portland waives its due diligence contingency earlier than the expiration of the due diligence period, then the closing date will be no later than thirty days after such waiver.</p>
11. <u>Closing Costs;</u> <u>Prorations</u>	<p>Prosper Portland will pay all closing costs including title and escrow fees associated with the transaction, except that Owner is responsible for all broker fees.</p> <p>Real estate taxes, rents, sewer, water, utilities and similar costs and expenses on the Property will be prorated as of the closing date.</p>



**PROSPER
PORTLAND**
Building an Equitable Economy

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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 Peter Platt	<input checked="" 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"/>	Vacant	<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 Prosper Portland Commission and as duly recorded in the official minutes of the meeting.

	<p>Date:</p> <p>February 14, 2022</p>
<p>Pam Feigenbutz, Recording Secretary</p>	