

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7435

AUTHORIZING AN AMENDMENT TO THE OPTION AGREEMENT WITH TRAMMELL CROW PORTLAND DEVELOPMENT, INC. REGARDING CASCADE STATION PARCELS D AND E IN THE AIRPORT WAY TAX INCREMENT FINANCE DISTRICT

WHEREAS, on June 11, 1999, the Prosper Portland Board of Commissioners (“Board”) approved Resolution No. 5278, authorizing the Executive Director to enter into a comprehensive Development Agreement related to the development of Cascade Station, a 120-acre parcel of land owned by the Port of Portland;

WHEREAS, as part of the Cascade Station development, Prosper Portland provided funding to assist in the extension of the MAX light rail line to Portland International Airport and to help complete infrastructure within Cascade Station;

WHEREAS, on June 22, 2005, pursuant to Resolution No. 6263, the Prosper Portland Board authorized a restructure of the debt owed to Prosper Portland under the Development Agreement, consenting to take an assignment of development and lease rights to 36 acres of land within Cascade Station in lieu of debt repayment;

WHEREAS, Prosper Portland has, over the past 16 years, disposed of approximately 13 acres of these assigned properties for (a) the construction of the new Portland headquarters of the Federal Bureau of Investigation, (b) construction of a hotel facility, and (c) construction of a corporate headquarters building;

WHEREAS, in February 2017, the Prosper Portland Executive Director entered into a Letter of Intent with Trammell Crow Portland Development, Inc. (“Trammell Crow”) to commence discussions to transfer Prosper Portland’s interests in approximately 13.7 acres known as Parcels D and E (“Property”) in the Airport Way tax increment finance district so that Trammell Crow could pursue construction of build-to-suit commercial office opportunities on the Property;

WHEREAS, on July 18, 2018, the Prosper Portland Board through Resolution No. 7283 authorized an Option to sublease the Property to Trammell Crow;

WHEREAS, Trammell Crow and Prosper Portland subsequently agreed to restructure the Option as an option to acquire Prosper Portland’s leasehold interest, rather than an option to sublease, and this modified transaction was approved by the Prosper Portland Board through Resolution No. 7352, adopted January 15, 2020; and

WHEREAS, Trammell Crow has requested that Prosper Portland agree to amend the schedule of Option payments and extend the Option period, as set forth in the draft amendment attached hereto as Exhibit A (“Amendment”), and Prosper Portland believes that the Amendment is reasonable and in the best interests of Prosper Portland and the City of Portland given market uncertainties.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to execute the Amendment in substantially the form attached hereto as Exhibit A, together with such other documents deemed reasonably necessary or appropriate by the Executive Director in consultation with the General Counsel to effectuate the modifications described therein;

BE IT FURTHER RESOLVED, that the Executive Director may approve changes to the Amendment so long as such changes do not materially add obligations or risks to Prosper Portland, 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

November 10, 2021



Pam Feigenbutz, Recording Secretary

FIRST AMENDMENT OF OPTION AGREEMENT
(Cascade Station Parcels D & E)

This First Amendment of Option Agreement (this “**Amendment**”) is made and entered into by and between **Prosper Portland**, formerly known as the Portland Development Commission, the redevelopment and urban renewal agency of the City of Portland (“**Optionor**” or “**PP**”), and **Trammell Crow Portland Development, Inc.**, a Delaware corporation (“**Optionee**”), effective as of October 1, 2021 regardless of the date of execution (the “**Effective Date**”).

Recitals

- A. PP and Optionee are parties to an Option Agreement dated as of January 21, 2020 (the “**Agreement**”), whereby PP granted Optionee the right to acquire its leasehold interest in the Option Parcels (as defined in the Agreement) on, and subject to, the terms thereof.
- B. Capitalized terms used, but not defined, in this Amendment have the meanings given in the Agreement.
- C. Optionee has requested that PP agree to amend the Agreement in order to extend the Option Period by three (3) years beyond the date set forth in the Agreement.
- D. PP is agreeable to so amending the Agreement on, and subject to, the terms set forth in this Amendment, including, without limitation, revising the Option Payments to be made by Optionee, as set forth in Section 3.1 of the Agreement.
- E. The Agreement was authorized by the Prosper Portland Board of Commissioners (the “Board”) pursuant to Resolution No. 7352, adopted January 15, 2020. This Amendment was authorized by the Board pursuant to Resolution No. 7435, adopted November 10, 2021.

Agreement

- 1. Extension of Option Period by Three Years. Section 2.1 of the Agreement is amended and restated in its entirety as follows:

The Option shall be exercisable as to Optionor’s ground leasehold interest in either or both of the Option Parcels by Optionee at any time during the period commencing on the Effective Date of this Agreement and terminating at 4:00 PM on January 30, 2026 (the “Option Period”) only by Optionee or by an entity in which an affiliate of Optionee has an ownership or management interest (an “Optionee Affiliate”) by delivering written notice of exercise to Optionor in the manner set forth in Section 12.9 hereof prior to the expiration of the Option Period. Once so exercised as to an Option Parcel, the exercise may not be rescinded as to that Option Parcel. If an Option has been exercised as to only one of the Option Parcels, so long

as the Option Period has not yet expired, Optionee or an Optionee Affiliate may exercise its Option as to the remaining Option Parcel.

2. Amendment of Option Payments. The payment schedule set forth in Section 3.1 of the Agreement is hereby amended and restated as follows:

Months 7-12 <i>(August 2020 - January 2021)</i>	FOUR THOUSAND DOLLARS (\$4,000.00) per month
Months 13-20 <i>(February 2021 - September 2021)</i>	EIGHT THOUSAND DOLLARS (\$8,000.00) per month
Months 21-38 <i>(October 2021-March 2023)</i>	THREE THOUSAND DOLLARS (\$3,000.00) per month
Months 39-56 <i>(April 2023 – September 2024)</i>	FIVE THOUSAND DOLLARS (\$5,000.00) per month
Months 57-72 <i>(October 2024 – January 2026)</i>	SEVEN THOUSAND DOLLARS (\$7,000.00) per month

PP agrees that if Optionee has paid more than the required monthly Option Payment amount (as amended above) for any month starting with October 2021 through the date this Amendment is fully executed, Optionee’s overpayment, if any, will be credited towards future payments until the amount paid is reconciled with the amount due.

3. Amendment of Prosper Portland Name and Mailing Address.

- a. The parties acknowledge that Prosper Portland’s legal name has been formally changed to Prosper Portland pursuant to Chapter 15 of the Portland City Charter, and any references in the Agreement to Prosper Portland being the assumed business name of Portland Development Commission are no longer applicable.
- b. Prosper Portland’s mailing address in Section 12.9 is replaced with the following:

To Optionor: Prosper Portland
Attn.: Development & Investment
220 NW 2nd Ave., Suite 200
Portland, OR 97209

With copy to: Prosper Portland
Attn.: General Counsel

220 NW 2nd Ave., Suite 200
Portland, OR 97209

4. Miscellaneous.

- a. Effect of Amendment. Except as specifically set forth in this Amendment, the Agreement is unmodified and is hereby ratified and remains in full force and effect.
- b. Counterparts; Electronic Signatures. This Amendment may be signed in counterparts, each of which shall be deemed an original and when taken together shall constitute one and the same instrument. The parties may execute facsimile, email or other electronic copies of this Amendment, and delivery of such execution copies by facsimile, email, or other electronic means shall be deemed to be delivery of an original signature and shall be binding on the parties.

[Signature Page Follows]

This Amendment is made and entered into as of the Effective Date.

**TRAMMELL CROW PORTLAND
DEVELOPMENT, INC.**

PROSPER PORTLAND

By: _____

By: _____

Name: _____

Kimberly Branam, Executive Director

Title: _____

APPROVED AS TO FORM:

Prosper Portland Legal Counsel



**PROSPER
PORTLAND**
Building an Equitable Economy

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RESOLUTION TITLE:

AUTHORIZING AN AMENDMENT TO THE OPTION AGREEMENT WITH TRAMMELL CROW PORTLAND DEVELOPMENT, INC. REGARDING CASCADE STATION PARCELS D AND E IN THE AIRPORT WAY TAX INCREMENT FINANCE DISTRICT


Adopted by the Prosper Portland Commission on November 10, 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 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 checked="" type="checkbox"/> Consent Agenda <input 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.

	Date: November 17, 2021
Pam Feigenbutz, Recording Secretary	