

**PROSPER PORTLAND**

Portland, Oregon

**RESOLUTION NO. 7436**

**AUTHORIZING THE TERMS OF A DISPOSITION AND DEVELOPMENT AGREEMENT TO CONVEY APPROXIMATELY 4.4 ACRES OF PROPERTY IN THE RIVER DISTRICT URBAN RENEWAL AREA FOR \$13,000,000 AND AN ADDITIONAL \$1,200,000 TO THE SAFEGUARD SECURITY, INC. CONTRACT**

**WHEREAS**, on December 21, 1994, by Resolution No. 35350, the Portland City Council adopted the River District Strategic Investment Plan which, among other things, called for the acquisition of the property at 1362 NW Naito Parkway (“Centennial Mills”, or “Property”) for the purpose of removing existing structures and creating a public park;

**WHEREAS**, on February 17, 2000, by Resolution No. 5397, the Prosper Portland Board of Commissioners (“Board”) authorized the purchase of the Centennial Mills property from ADM Milling Company in furtherance of the River District Urban Renewal Plan;

**WHEREAS**, on May 25, 2005, the City Council adopted Resolution No. 36320, instructing Prosper Portland to halt plans to demolish the structures, and directing Prosper Portland to work with the City of Portland Bureau of Planning, residents, and stakeholders to develop a comprehensive plan for the Centennial Mills site taking into consideration future development plans for the surrounding area;

**WHEREAS**, on December 13, 2006, the Prosper Portland Board approved Resolution No. 6422, adopting the Centennial Mills Framework Plan (“Framework Plan”) as a statement of the public’s interest and aspirations for the property;

**WHEREAS**, between 2007 and 2014, Prosper Portland solicited for and partnered with private developers to analyze and identify redevelopment scenarios to align with the Framework Plan and under each scenario, redevelopment was determined to require significant public investment beyond that available in the River District tax increment finance district budget;

**WHEREAS**, on December 11, 2014, the Prosper Portland Board, acting as the Local Contract Review Board, approved Resolution No. 7089, adopting findings in support of emergency status and an expedited process for selective demolition of the Property’s most dangerous buildings due to substantial threat to property, public health, welfare, and safety;

**WHEREAS**, during the course of demolition, Prosper Portland staff openly marketed the Property for sale and received no acceptable offers and thereafter completed additional development feasibility analyses to understand the financial and community benefit implications of full site versus partial site redevelopment;

**WHEREAS**, on March 22, 2017, the City Council adopted Resolution No. 37275 endorsing Prosper Portland's recommendation to pursue full site redevelopment and directed Prosper Portland to review all options for maximizing affordable housing on the Property;

**WHEREAS**, in October 2017, Prosper Portland publicly marketed the Property, and following evaluation of fourteen offers, entered into a non-binding Letter of Intent with Lynd Opportunity Partners but ultimately did not proceed with the contemplated disposition and development;

**WHEREAS**, in 2019, Prosper Portland resumed marketing the property and evaluating offers, while also identifying opportunities to mitigate or reduce complexities that have posed challenges to redevelopment;

**WHEREAS**, in October 2021, Prosper Portland received an offer for acquisition of the Property on the terms and conditions the buyers identified in Exhibit A attached to Resolution No. 7436 ("Summary of Terms");

**WHEREAS**, Prosper Portland has entered into a contract ("Security Contract") with Safeguard Security Inc. to provide security services in light of challenges in securing the Property and the safety and security risks posed by the current condition of the existing structures;

**WHEREAS**, it is in Prosper Portland's interest to amend the Security Contract in order to provide security services for an additional two years, consistent with the proposed terms and timeline for the disposition of the Property; and

**WHEREAS**, the sale of the Property according to the Summary of Terms is deemed in the best interests of Prosper Portland and the City of Portland.

**NOW, THEREFORE, BE IT RESOLVED**, that the Executive Director is hereby authorized to execute an agreement for the conveyance and redevelopment of the Property according to the attached Summary of Terms and with the buyers identified therein (or their assignees), provided that the Executive Director determines that the purchase price is supported by an appraisal or broker's valuation;

**BE IT FURTHER RESOLVED**, that the Executive Director is further authorized to execute all documents as may be necessary to complete this transaction;

**BE IT FURTHER RESOLVED**, that the Executive Director may approve changes to the terms of the conveyance from the Summary of Terms so long as such changes do no materially increase the risk to Prosper Portland, as determined by the Executive Director in consultation with Prosper Portland's General Counsel;

**BE IT FURTHER RESOLVED**, that the Executive Director may amend the Security Contract; 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

### Summary of Terms

- **Buyer:** Handson Equities, LLC (principal: Orlando Montero); Yashari LLC or Emma Corp. (principal: Emanuel Yashari); MLR Ventures, LLC (principal: Tim Ralston) (or any of their assignees)
- **Purchase Price:** \$13,000,000
- **Earnest Money:**
  - Within 10 days of mutual execution of the development agreement Buyer shall deliver to Prosper Portland an earnest money deposit in the amount of Three Hundred Thousand Dollars (\$300,000) to be deposited in an escrow account. This money will be fully refundable if Buyer does not give written acceptance of the property by the expiration of the inspection period.
  - If Buyer does give written approval of the property prior to expiration of the inspection period, this deposit will be non-refundable, released to Seller, and be applicable to the purchase price.
- **Inspection Period:**
  - Buyer shall have One Hundred and Eighty (180) days to review all documents, conduct inspections and given written approval of the property and waiver of its due diligence.
  - Buyer will have the right to Two (2) Ninety (90) day extensions of the Inspection Period by giving written notice to Prosper Portland and depositing an additional Fifty Thousand Dollars (\$50,000) per extension that will be nonrefundable, released to Prosper Portland, and applicable to the purchase price.
  - Buyer will submit for an Early Assistance Meeting with the Bureau of Development Services within One Hundred Twenty (120) days of mutual execution of the development agreement.
- **Closing:**
  - Closing shall take place within One Hundred Eighty (180) days from the date that Buyer provides Prosper Portland written acceptance of the property and waiver of its due diligence.
  - If Buyer does not have all land use approvals by the closing date, then Buyer will have the right to Two (2) Ninety (90) day extension periods by giving written notice to Prosper Portland and depositing One Hundred Thousand Dollars (\$100,000) per extension with the title company. These payments will be nonrefundable, released to Prosper Portland, and applicable to the purchase price.
- **Additional Terms:**
  - Buyer will comply with Prosper Portland's Green Building Policy.
  - Buyer will comply with Prosper Portland's Business and Workforce Equity Policy.
  - Any inclusionary housing requirements will be met onsite (i.e. not through the payment of Fee-in-Lieu or Build/Designate Off Site options).
  - Property will be purchased "AS IS", including any liability associated with the site's inclusion in the Portland Harbor Superfund site.
  - Prosper Portland to complete cleanup of the Tanner Creek Sewer.
  - Prosper Portland is not providing public investment to support redevelopment of the Property.
  - Buyer will participate with Prosper Portland in introductory meetings with key stakeholders.
  - Construction must commence within 10 years of closing.



# PROSPER PORTLAND

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"/>

Consent Agenda                       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>  November 17, 2021
<b>Pam Feigenbutz, Recording Secretary</b>	