



**PROSPER**  
**PORTLAND**  
Building an Equitable Economy

**DATE:** December 14, 2022  
**TO:** Board of Commissioners  
**FROM:** Kimberly Branam, Executive Director  
**SUBJECT:** Report Number 22-34

Authorizing the Terms of a Disposition and Development Agreement to Convey Approximately 4.4 Acres of Prosper Portland-Owned Property in the River District Tax Increment Finance District

#### **BOARD ACTION REQUESTED AND BRIEF DESCRIPTION**

Adopt Resolution No. 7470

At the December 14, 2022, Prosper Portland Board of Commissioners (Board) meeting, staff will recommend approval of a Disposition and Development Agreement (DDA) with 1362 Centennial Mills, LLC (Buyer), that furthers the redevelopment of the 4.4-acre Prosper Portland-owned property located at 1632 NW Naito Parkway in the River District tax increment finance district (see a Property Aerial in Attachment A and a Property Plan in Attachment B). 1326 Centennial Mills is a new entity formed MLR Ventures, LLC for the purpose of this transaction.

If approved, this action by the Prosper Portland Board will advance the sale and redevelopment of an underutilized property, as well as ultimately provide critical resources to help support the Broadway Corridor and Old Town investments.

#### **STRATEGIC PLAN ALIGNMENT AND OUTCOMES**

This action will fulfill Prosper Portland's strategic objectives of creating healthy complete neighborhoods, leveraging regional assets, and advancing the agency's financial sustainability goals. As noted, this disposition will also provide resources critical to fulfilling other important agency initiatives in the River District.

#### **BACKGROUND AND CONTEXT**

Following direction from the Portland City Council (City Council), on February 17, 2000, the Prosper Portland Board through Resolution No. 5397 authorized the purchase of Centennial Mills for the purposes of creating open space and access to the Willamette River. In 2004, Prosper Portland proposed demolishing all the buildings on the site to facilitate development of a park; however, based on public response, the City Council through Resolution No. 36320 instructed Prosper Portland to redevelop the property rather than demolish the buildings for a park purpose. It also directed Prosper Portland to develop a plan for future redevelopment; the resulting Centennial Mills Framework Plan (Framework Plan), was adopted by the Prosper Portland Board through Resolution No. 6422 on December 13, 2006.

Prosper Portland has pursued redevelopment of Centennial Mills for the past 15 years, in alignment with the strategic guidance and requirements governing the property. These efforts include pursuing negotiations from 2007 to 2019 with three prospective developers (LAB Holdings, Harsch Investment, and Lynd) and a call for Best and Final offers from three short-listed parties in spring of 2021, which did not result in a viable offer.

Reinitiated marketing efforts resulted in three offer to acquire the property. In November 2021 the Prosper Portland Board authorized negotiations with the Buyer, consistent with the Buyer's proposed terms for acquisition. The Buyer's proposal was selected in part due to the Buyer's extensive experience in adjacent waterfront development. Staff has worked with the Buyer and their attorney over the past year to further negotiate the terms of the transaction. During this time, five significant factors have informed these negotiations, resulting in material changes to the previously authorized terms:

- Proposed Floodplain Policy: The City of Portland (City) is proposing code revisions that may impact the developability of the site by changing development standards and required mitigation measures including habitat and cut-fill requirements. The timeline and outcome of this work is uncertain and creates great risk and uncertainty for the phased development of the site. Staff is continuing to work with City staff to understand the potential implications, but this will not be resolved prior to executing a DDA. The modified purchase price reflects this new risk among other considerations.
- PacifiCorp Easement: As further described below, PacifiCorp is seeking a below-grade easement through a portion of the site which may result in incremental increases in development costs. The impact and cost of this easement remain under negotiation.
- Division of State Lands Lease: Approximately 750 in-water piles remain on adjacent land leased from the Oregon Division of State Lands (DSL), which formerly supported the overwater wharf. DSL is obligated to enforce the Lower Willamette River Management Plan, and thereby requires removal or cutting of the piles as they are not an allowed in-water use. Once removed, the lease with DSL can be terminated. It was previously assumed that Prosper Portland would complete this work, and staff included \$1,500,000 in the River District budget for engineering, permitting, and construction costs. The revised DDA terms now call for assignment of the DSL lease to the Buyer, removing the associated obligations and costs for Prosper Portland.
- Escrow Payments: The Buyer has requested, and staff recommends, the ability to undertake initial site preparation activities at their expense in lieu of certain escrow payments. These activities include the demolition of the existing warehouse (former home of the Mounted Patrol Unit) and may also include the demolition of the covered horse paddock. The authorized pre-development activities do not include demolition of the flour mill.
- Prosper Portland Policies: Prosper Portland policies will apply, except that buyer now has the right to apply for an alternate green building certification, as is permitted under the City's code (rather than LEED, as is required by our Green Building policy).

The purpose of this action is to approve terms of a fully negotiated DDA for the disposition of Centennial Mills. A summary of the proposed terms since last approved to the Prosper Portland Board is as follows:

	November 2021	December 2022
<b>Purchase Price /</b> <b>Net Revenue to Prosper</b> ( <i>see also Prosper Portland obligations</i> )	\$13,000,000 / ~ \$11,500,000	\$8,250,000
<b>Escrow Payments</b>	<ul style="list-style-type: none"> <li>• \$300,000 (non-refundable after 180-day Inspection Period)</li> <li>• 2 x \$50,000 per 90-day extension (non-refundable)</li> <li>• 2 x \$100,000 per 90-day extensions only if approvals are pending (non-refundable)</li> </ul>	<ul style="list-style-type: none"> <li>• \$200,000 (non-refundable after 60 days)</li> <li>• Developer may elect to undertake demolition of warehouse at own expense (submit demo application by 5/3/23 and commence within 30 days of permit); <u>OR</u> make 2 x \$200,000 additional payments in May and July 2023 (non-refundable)</li> <li>• Ability to extend closing date via additional payments (described below)</li> </ul>
<b>Key Milestones &amp; Closing</b>	<ul style="list-style-type: none"> <li>• Submit Early Assistance Application w/in 120 days</li> <li>• Closing: up to 2 years from DDA (180-day Inspection Period + 180-day Closing Period + Extendable up to 360 days)</li> </ul>	<ul style="list-style-type: none"> <li>• Submit Land Use Application within 180 days</li> <li>• Closing:                             <ul style="list-style-type: none"> <li>- Earlier of 60 days after Land Use approval or 2 years.</li> <li>- Ability to extend by 90-days via \$50,000 earnest money deposit (non-refundable). Payments are applicable to purchase price if Land Use Approval appeal is pending. Unless due to a Land Use Approval appeal, extensions are capped at four extensions (1 year total) and</li> </ul> </li> </ul>

		payments are not applicable to purchase price.
<b>Policy Compliance</b>	<ul style="list-style-type: none"> <li>• Construction Business &amp; Workforce Equity Policy</li> <li>• Green Building Policy</li> <li>• Onsite Inclusionary Housing</li> <li>• Construction within 10 years of closing</li> </ul>	<ul style="list-style-type: none"> <li>• Construction Business &amp; Workforce Equity Policy</li> <li>• Green Building Policy allows alternate certification (other than LEED)</li> <li>• Onsite Inclusionary Housing</li> <li>• Construction within 10 years of closing</li> </ul>
<b>Other Developer Obligations</b>	<ul style="list-style-type: none"> <li>• Compliance with SHPO Memorandum of Agreement</li> <li>• Buyer to participate in introductory meetings with key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with SHPO Memorandum of Agreement</li> <li>• Buyer to participate in introductory meetings with key stakeholders</li> <li>• Cut/removal of in-water piles per DSL Lease obligations</li> </ul>
<b>Prosper Portland Obligations</b>	<ul style="list-style-type: none"> <li>• Tanner Creek Sewer Mitigation</li> <li>• Cut/removal of in-water piles per DSL Lease obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Tanner Creek Sewer Mitigation (<i>work complete</i>); Obtain closure report and amend Source Control Agreement (<i>pending</i>)</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• Property sold As Is, including Portland Harbor Superfund liability</li> </ul>	<ul style="list-style-type: none"> <li>• Property sold As Is, including Portland Harbor Superfund liability</li> <li>• Pending Floodplain Policy code changes may impact developability of site</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• Assignability: Prosper Portland approval required for any assignments after closing</li> </ul>	<ul style="list-style-type: none"> <li>• Assignability: The DDA may be freely assigned to new developers after closing and payment to Prosper Portland of the purchase price</li> <li>• PacifiCorp Easement pending resolution</li> </ul>

The terms of the DDA requires the Buyer to work with PacifiCorp to assess the impact of a utility easement and would prevent Prosper Portland from granting the easement to PacifiCorp until PacifiCorp and Buyer have come to agreement regarding the easement impact.

In January 2020, as a part of PacifiCorp's Willamette River Crossing project, PacifiCorp requested a utility easement under the southern portion of the property. The crossing project includes removing the existing power supply cables in the sediment of the Willamette River and replacing them with a new line located underneath the bed of the river. The new lines are planned to be installed in advance of removal of the existing lines and before the U.S. Environmental Protection Agency (EPA)-required clean-up of River Mile 11 in the Portland Harbor Superfund site.

In response to concerns raised by Prosper Portland, PacifiCorp has analyzed what additional cost the easement and powerline might cause for a future developer due to interference with the ability of future high-rise structures to sink piles deep enough for support.

Additionally, our prospective Buyer has engaged a team of professionals, including structural engineers, architects, and geotechnical experts, to analyze PacifiCorp's easement request and to provide an estimate of the cost the easement would add to Buyer's planned 17-story development. We expect PacifiCorp and Buyer will continue to review this analysis and work together to agree upon the engineering solution and the cost impact during the term of the DDA and until they reach agreement. In the meantime, we need to provide certainty to the Buyer for them to move forward with design and permitting of their project, and this work cannot proceed unless they're assured that PacifiCorp's easement will not have financial impact to the Buyer and their development plans for the property. The DDA also obligates Prosper Portland to reimburse up to \$120,000 of the Buyer's associated due diligence expenses.

The sale and development of the property is anticipated to result in:

- \$9,750,000 in financial resources to Prosper Portland (less broker's fee and Buyer's reimbursed due diligence fees), including savings from currently budgeted activities in the River District budget to be assumed by Developer. These resources are critical to delivering on other financial obligations within the River District, including Broadway Corridor and the Old Town Chinatown Action Plan.
- Reducing Prosper Portland's ongoing property management and security obligations, costs, and risks (described in further detail in the following section of this report)
- Furthering the vision of the Centennial Mills Framework Plan, including:
  - Mixed use development of the property
  - Greenway trail constructed the full length of the property within the 50-foot greenway setback, with pedestrian accessways connecting Naito Blvd. to the greenway trail (as required by code)
  - Historical artifact displays to be incorporated into the greenway trail and overall development concept (as required by the Memorandum of Agreement with the Oregon State Historic Preservation Office)
- Fulfillment of any Inclusionary Housing requirements on-site (vs off-site or fee in-lieu-of payments)
- Compliance with Prosper Portland's Construction Business and Workforce Equity policy and Green Building policy (with modification).

- Salvage of building materials in future development; Prosper has removed a firm requirement to preserve the Flour Mill.

**EQUITY IMPACT**

There are several notable equity impacts from this action. As noted, the Construction Business and Workforce Equity Policy will apply to future redevelopment, ensuring equitable contracting and workforce opportunities. In addition, the sale will provide financial resources available for other strategic priorities within the district that are furthering the agency’s equity goals – most notably Broadway Corridor and Old Town.

In addition, redevelopment of the Centennial Mills site will extend the greenway trail and riverbank setback, enabling greater public connection to the Willamette River; provide interpretive panels highlighting the history of the site; and be subject to the City of Portland’s Inclusionary Housing Policy, requiring 10 to 20 percent of any new residential units be restricted to households with incomes below 60 to 80 percent area median income. If any residential units are built as part of the Buyer’s project, these required affordable units will required to be provided on site.

**COMMUNITY PARTICIPATION AND FEEDBACK**

Prosper Portland staff has conducted extensive community engagement over the past 15 years, including creating the Centennial Mills Framework Plan; providing periodic updates to the Pearl District Neighborhood Association; convening advisory committees to inform the selection of prospective development partners; and updating the Portland Landmarks Commission.

Given the site’s location and complexity, there are many project stakeholders, including the Pearl District Neighborhood Association, Restore Oregon, adjacent residents, and numerous public agencies including Portland Bureau of Environmental Services, Oregon Department of Environmental Quality, U.S. Army Corps of Engineers, Oregon State Historic Preservation Office, Portland Historic Landmarks Commission, and Portland Design Commission. Stakeholder concerns have included input regarding the prior demolition of a portion of the mill structures due to dangerous conditions, mixed reactions to the potential for the Flour Mill to be demolished or retained (potentially at the expense of other opportunities), and preferences for other site improvements such as setbacks from adjacent development and wide pedestrian accessways to extend from NW 9<sup>th</sup> Avenue to the greenway.

Additional opportunities for public engagement are anticipated during the Buyer’s design and feasibility process including the City’s land use and design review permitting process.

**BUDGET AND FINANCIAL INFORMATION**

The adopted River District fiscal year (FY) 2022/23 budget and forecast year forecast budget (see Attachment C) includes the following specific to Centennial Mills:

	<b>FY 22/23</b>	<b>FY 23/24</b>	<b>FY 24/25</b>	<b>FY 25/26</b>	<b>FY 26/27</b>	<b>FY 27/28</b>
<b>Revenue</b> <i>(rent + sale)</i>	\$36,000	\$14,000,000*	0	0	0	0
<b>Expenses</b>						
• Property Mgmt <i>(utilities, security)</i>	(\$538,932)	(\$556,932)	0	0	0	0

<ul style="list-style-type: none"> <li>Site Prep (<i>Tanner Creek mitigation</i>) – COMPLETE</li> </ul>	(\$788,000) <i>incl FY 21/22 carryforward</i>	0	0	0	0	0
<ul style="list-style-type: none"> <li>Site Prep (<i>pilings removal</i>)</li> </ul>	0	(\$1,500,000)	0	0	0	0

- Revenue:** The River District budget includes a total of \$14,000,000 in land sales revenue in FY 2023/24 from a combination of properties, including Centennial Mills, Block A&N, and Block 25. Staff originally included a conservative estimated net sale proceeds of \$6,000,000 from Centennial Mills. However, all anticipated transactions in the district are currently uncertain. Additionally, River District URA budget is currently unbalanced by \$3,700,000 due to commitments in the Broadway Corridor and Old Town. Balancing the River District budget and maintaining financial commitments associated with Broadway Corridor and Old Town is highly dependent on revenue from the sale of Centennial Mills in a timely manner. Under the terms of this DDA, Prosper Portland will receive \$8,250,000 at the time of sale, estimated to close in approximately two to three years from execution of the DDA. Under certain terms, Prosper Portland may also receive additional escrow payments for the extension of the date of closing. As noted below, the terms of the DDA also results in cost savings to Proper Portland.
- Expenses:** The River District budget currently includes property management expenses through FY 2023/24. Additional resources will need to be allocated in future budget revisions to continue these required services while the property remains in Prosper Portland’s ownership. The Tanner Creek Sewer remediation project has been completed and staff does not anticipate the need for any further mitigation work. Under the terms of the DDA, the existing Division of State Lands lease will be assigned to the Buyer, thereby eliminating the need for Prosper Portland to undertaking the cutting or removal of the in-water piles. This results in saving of an estimated \$1,500,000 in addition to the likely risk of any cost overruns due to recent market conditions and the complexity of the work.

**RISK ASSESSMENT**

The primary risk is failure to successfully engage a capable, experienced development partner and structure a disposition and development agreement in a manner that will lead to successful sale and redevelopment of the property. The proposed disposition terms and conditions are structured such that Prosper Portland will not incur additional responsibility or costs for site improvements or environmental remediation.

As noted, Prosper Portland’s ability to fulfill financial commitment in Broadway Corridor and Old Town is dependent on revenue from the sale of the property. Additionally, in the event Prosper Portland is not able to successfully convey the property to a development partner, Prosper Portland will continue to incur significant property management, maintenance, safety, and security costs and risk. Property management at Centennial Mills is challenging due to its proximity to the water and the Willamette River Greenway Trail, both accessible by the public with easy entry onto the property. The Flour Mill is in disrepair, making it difficult to secure and thereby allowing access to the rooftop and water tower. Annual property management costs are estimated at \$550,000 to address ongoing safety and security needs.

Lastly, redevelopment of the site is immensely challenging due to the condition of existing buildings, proximity to the water and greenway trail requirements, and evolving community expectations. With

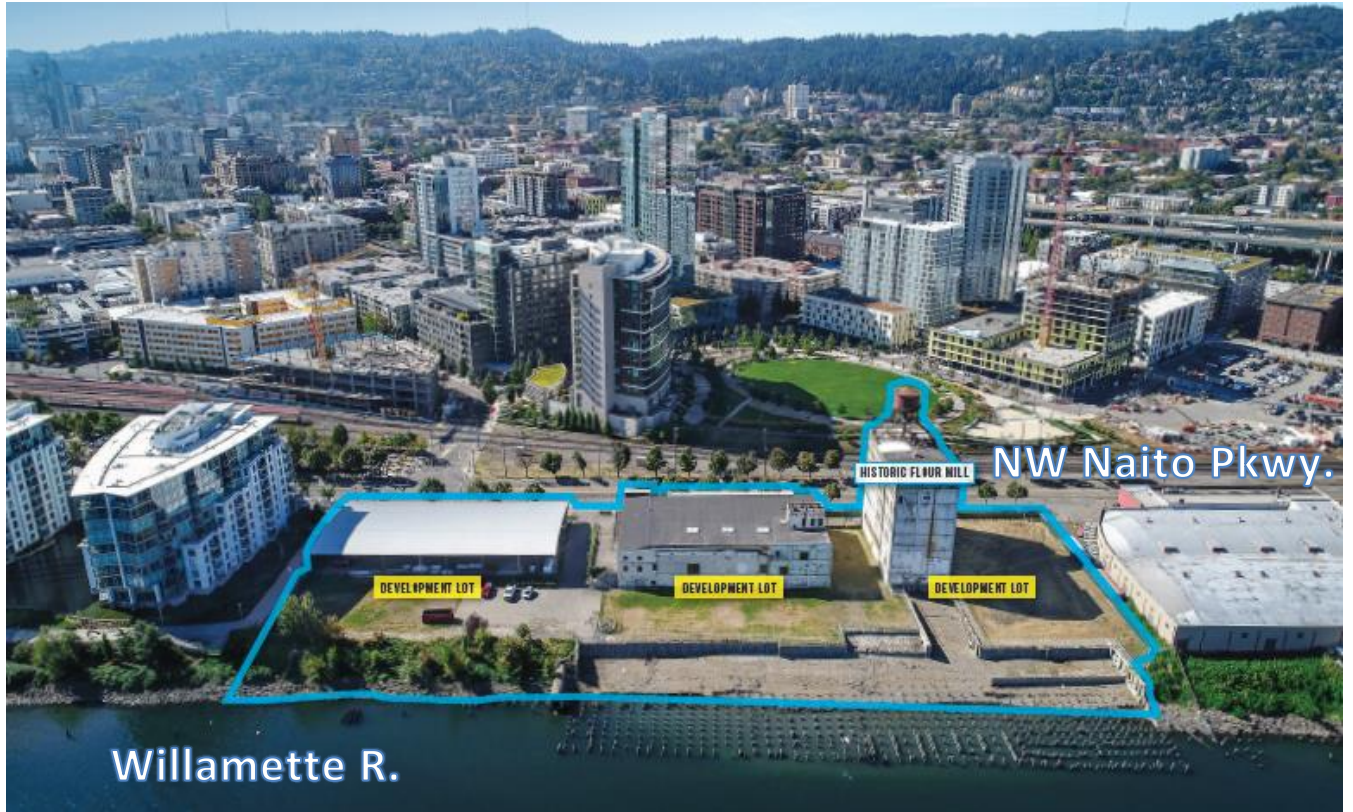
investment of significant public funds, Prosper Portland has worked diligently to reduce the complexity of the site. In February 2021, staff elected to remove certain aspects of the project (i.e., not require preservation of the Flour Mill and not utilize a community advisory committee in the evaluation of offers) to close on a sale that meets Prosper Portland's financial requirements while minimizing the risk of building community expectations that the agency is able to meet and financially support. While this decision has been shared with key stakeholders, concerns may be expressed by community stakeholders regarding the loosening of these development requirements. A more detailed summary of historical actions leading to today's recommendation is included at Attachment D.

**ATTACHMENTS**

- A. Property Aerial
- B. Property Plan
- C. River District Financial Summary
- D. Historical Timeline



**Property Aerial**



**Property Plan**

**Centennial Mills - Property Plan**

Thursday, September 12, 2019 5:00 PM

<b>Property Strategic Considerations</b>	
Goals & Objectives	
Acquisition Date & Purpose	June 19, 2000 from ADM Milling, Co. • Acquired as part of the River District Strategic Investment Plan (City of Portland Resolution 35350) for redevelopment and public uses (Resolution 5397-February 17, 2000)
Property Plan Objective	Development Site / Active
2015-2020 Strategic Plan Objective(s)	Objective 1: Create Healthy, Complete Neighborhoods Throughout Portland (Outcome 1.1: Vibrant Communities & Corridors)
Financial Sustainability Plan Objective	Mission Related Investment - 6%
Equity Objective(s)	Interim: Increase equitable contracting of certified firms  Development: Leverage onsite affordable housing; Promote opportunity objectives for the Business Equity Program and the Workforce Equity Program by promoting contracting and employment opportunities to MWESB business and communities of color
<b>Property Information</b>	
Property Characteristics	
Property Code <sup>1</sup>	330-A00288
Property Name(s)	Centennial Mills
Project Name(s)	Centennial Mills
Property Description	Former Flour Mill and Mounted Patrol Unit building and riding area
Address	1362 NW Naito Parkway
RNumber(s)	<a href="#">R141440</a>
Tax Lot Description(s)	COUCHS ADD, BLOCK 318, INC RIP RTS OUT TO HARBOR LN LOT 25-37, SELY 15.79' OF LOT 38
Lot Size	4.4 acres (193,406 sq ft)
Building SF	77,225 sq ft
Neighborhood	
URA	River District
Neighborhood	Pearl District
NMTC Census Tract	Census Tract 51
Opportunity Zone	Yes-Severe Distress
Zoning	EX-Central Employment; d-Design Zone; g-River General
Base FAR & Height	2:1 / 100'

<b>Financial Baseline</b>	
Book Value (2017)	\$2,650,000
Real Market Value (2017)	\$13,476,360
Appraised Value	January 9, 2018: \$11,700,000 (Sales Comparison Approach) by R.P. Herman & Associates LLC
Financial Sustainability Plan Cash Flow	(\$56,435) FY 19/20 \$469,616 Ten-year outlook including FY 19/20
<b>Due Diligence</b>	
Alta/As-Built	Yes / Yes
Title Report	February 4, 2010
Title Easements	Sewer Easement-Tanner Creek-Recorded 8/24/1916; Walkway Easement-Waterfront Pearl Condos-Recorded 10/2/2009 # 2009-139372
Site Constraints	Portion of property lies within the 100-year flood plain, and most of the property lies within the 1996 Flood Inundation Zone. Property is located adjacent to the Portland Harbor Superfund Site.
Environmental Documents/Notes	ESA Phase 1: February 1999; ESA Phase 2: October 2008; Phase II ESA Centennial Mills Post-Demolition Sampling: July 10, 2017; Phase I ESA (for Lynd Opportunity Partners): November 21, 2018; Pockets of contaminated or non-clean fill soil remain-developer incremental costs (GASB 49 17/18)
<b>Additional Information</b>	
Historical Background	
Interim Activity Strategy	Manage & maintain the property in a way that minimizes risks and holding costs, while maintaining it in a clean and respectable manner. Work in coordination and consultation with project management staff responsible for implementation of related development plans. Interim uses would include short-term/one-time permits only, on grounds only, like community events, film uses, and construction staging.
<b>Development Goals &amp; Objectives</b>	
<b>Re-Development/Re-Use</b>	
Active/Inactive	Active
Phase of Development (acquisition, community process, predev, disposition, construction)	Predevelopment
Development Concept(s)	Mixed use development with greenway trail. Further concept TBD.
Action Plan / Framework(s)	Centennial Mills Framework Plan
URA / Community Goal(s)	River District URA Plan
Major Consultant Contracts	Brokerage contract with Real Estate Investment Group
Major Milestone(s) & Deadline(s)	Letters of Intent to be received by June 30, 2019; select development partner and enter into MOU by September 30, 2020 for a 6-9 month period; Board to approve DDA by June 2021; property sale in FY 21/22

	Budget Investment of \$1M for Tanner Creek Remediation in FY 19/20
Project Budget	<a href="#">See Fund 330 Budget</a>
Project Manager	Eric Jacobson
Project Team Member(s)	Ember Breckenridge (Property Manager), Colin Polk (Environmental)
Project Sponsor	Amy Edwards
Developer	N/A
Major External Stakeholder(s)	Pearl District Neighborhood Association; Restore Oregon
Major Bureau Partner(s)	BES and BDS
Agency Approvals & Recommendations	
FIC Approval(s)	N/A
Board/Council Approval(s) & Recommendation(s)	N/A
Agreements	
LOI/MOU/DDA/PSA	
Additional Notes	
Project File Document Location	S:\Projects\CC-URAs\RD\Projects\Centennial Mills

**River District Financial Summary**

**Financial Summary  
 Five-Year Forecast**

River District TIF Fund	Revised 2 FY 2021-22	Adopted FY 2022-23	Forecast FY 2023-24	Forecast FY 2024-25	Forecast FY 2025-26	Forecast FY 2026-27
<b>Resources</b>						
Beginning Fund Balance	65,965,295	50,308,057	6,712,313	10,693,508	5,516,093	4,028,602
<b>Revenue</b>						
Fees and Charges	3,618	2,110	-	-	-	-
Interest on Investments	649,605	95,475	43,248	64,969	39,101	31,668
Loan Collections	7,484,199	677,745	664,431	104,194	2,290,927	18,504
Property Sales	0	-	14,000,000	-	-	-
Rent and Property Income	1,623,101	2,432,235	2,565,561	2,699,729	2,666,614	2,633,184
Reimbursements	13,657	14,098	14,521	14,958	15,405	15,654
<b>Total Revenue</b>	<b>9,954,208</b>	<b>3,221,663</b>	<b>17,267,761</b>	<b>2,663,666</b>	<b>5,212,047</b>	<b>2,699,206</b>
<b>Total Resources</b>	<b>75,939,503</b>	<b>53,527,720</b>	<b>24,000,074</b>	<b>13,577,374</b>	<b>10,728,140</b>	<b>6,728,010</b>
<b>Requirements</b>						
<b>Administration</b>						
A00025-Debt Management-RVD	1,020,379	33,098	33,098	33,098	-	-
Administration Total	1,020,379	33,098	33,098	33,098	-	-
<b>Housing</b>						
A00166-Affordable Housing-RVD	5,408,989	6,360,290	1,064,747	-	-	-
A00166-Fairfield Apartments-RVD	25,000	700,000	-	-	-	-
Housing Total	5,431,989	7,060,290	1,064,747	-	-	-
<b>Infrastructure</b>						
<b>Public Facilities</b>						
A00433-Union Station Grant-RVD	100,000	100,000	-	-	-	-
Infrastructure Total	100,000	100,000	-	-	-	-
<b>Property Redevelopment</b>						
<b>Commercial Property Lending</b>						
A00361-CPRL-General-RVD	50,000	-	-	-	-	-
<b>Real Estate Management</b>						
A00276-Post Office-RVD	919,523	915,923	544,923	459,923	459,923	-
A00276-4th and Burnside-RVD	34,558	34,558	34,558	-	-	-
A00265-Block Y-RVD	114,693	116,667	116,528	120,178	121,696	63,614
A00268-Union Station-RVD	1,664,650	1,739,184	1,798,267	1,656,081	1,919,944	1,961,606
A00268-Centennial Mills-RVD	477,284	536,932	556,932	-	-	-
A00290-Station Place Parking-RVD	647,661	649,082	691,074	700,313	714,552	726,791
A00291-Block R-RVD	0	39,000	35,371	36,008	36,845	37,262
A00292-One Waterfront North-RVD	0	-	-	19,652	19,652	19,652
A00293-Old Fire Station Mgmt-RVD	260,665	60,665	-	-	-	-
A00555-RD Small Lots - 9th & Neito-RVD	17,269	17,662	16,118	16,572	19,028	19,464
A00567-Block 25-RVD	35,054	35,054	35,054	-	-	-
<b>Real Estate Predevelopment</b>						
A00276-Post Office-RVD	5,166,600	19,053,900	2,069,670	-	-	5,219,630
A00276-4th and Burnside-RVD	493,448	5,000	5,000	-	-	-
A00567-Block 25-RVD	75,000	-	-	-	-	-
A00620-Post Office Grant-RVD	119,596	-	-	-	-	-
<b>Real Estate Disposition</b>						
A00268-Centennial Mills-RVD	368,000	400,000	1,500,000	-	-	-
A00293-Old Fire Station Mgmt-RVD	513,000	5,000	5,000	-	-	-
<b>Redevelopment Strategy</b>						
A00036-Superfund-RVD	362,320	46,060	79,200	79,200	-	-
A00279-Broadway Corridor-RVD	20,000	-	-	-	-	-
A00517-OT/CT Investment & Parking-RVD	1,473,624	10,000,000	-	-	-	-
A00667-OTCT-PI-OTWF	62,500	75,000	-	-	-	-

River District TIF Fund	Revised 2 FY 2021-22	Adopted FY 2022-23	Forecast FY 2023-24	Forecast FY 2024-25	Forecast FY 2025-26	Forecast FY 2026-27
Redevelopment Grants						
A00390-CLG-General-RVD	435,988	325,000	100,000	-	-	-
A00497-Prosperity Investment Program (PIP) Grant-RVD	375,911	150,000	150,000	-	-	-
A00671-Repair Grant-RVD	11,500	-	-	-	-	-
Property Redevelopment Total	13,799,422	34,426,747	7,761,713	3,291,927	3,291,640	8,090,261
Total Program Expenditures	20,351,770	41,640,135	8,679,558	3,325,025	3,291,640	8,090,261
Personnel Services	833,302	1,003,153	656,398	894,976	806,409	394,161
Total Fund Expenditures	21,185,072	42,643,288	9,735,954	4,220,001	3,698,049	8,484,422
Interfund Transfers - Indirect Charges	4,448,374	4,172,119	3,570,814	3,841,280	2,801,289	1,980,868
Contingency	50,308,057	6,712,313	10,693,508	5,518,093	4,026,802	-3,717,260
Total Fund Requirements	75,939,503	53,527,720	24,000,074	13,577,374	10,726,140	6,728,010

### Historic Timeline

The following is a list of historical information that led to this action, from past to present:

- December 21, 1994: City Council adopted the River District Strategic Investment Plan which, among other things, called for the acquisition of Centennial Mills for the purpose of removing Centennial Mills and creating a public park and identified a funding strategy to do so (Resolution No. 35350);
- February 17, 2000: Prosper Portland Board authorized the purchase of Centennial Mills for the purpose of creating access to and public park on the Willamette River (Resolution No. 5397);
- December 2000: The U.S. Environmental Protection Agency (EPA) and Oregon Department of Environmental Quality (DEQ) designated the Lower Willamette River between river miles 1.9 and 11.8 as the Portland Harbor Superfund Site as a result of a 1997 study that showed that river sediments in Portland Harbor are contaminated with dichlorodiphenyltrichloroethane (DDT) and other pesticides, polychlorinated biphenyls (PCBs), and petroleum. Centennial Mills is located at the edge of the Portland Harbor Superfund Site.
- May 25, 2005: City Council instructed Prosper Portland to halt plans to demolish Centennial Mills and instead redevelop the property and to work with the Bureau of Planning, citizens, and stakeholders to prepare a plan for future redevelopment (Resolution No. 36320)
- October 11, 2006: City Council accepted the Centennial Mills Framework Plan (Resolution No. 36443);
- December 13, 2006: Prosper Portland Board adopted the Centennial Mills Framework Plan (Resolution No. 6422);
- 2007 – 2016: Prosper Portland solicited for and partnered with private developers Lab Holding and Harsch Investment Properties to analyze and identify redevelopment scenarios;
- December 11, 2014: Prosper Portland Board, acting as the Local Contract Review Board, approved an 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 (Resolution No. 7089);
- July 2015: Prosper Portland Board authorized a multi-phase contract to demolish selected buildings at the site (Resolution No. 7137);
- April 20, 2016 and September 2016: Prosper Portland Board authorized completion of the selective demolition (Resolutions Nos. 7177 and 7208). The Flour Mill, Warehouse E, and Riding Arena were not included in the demolition project and are still present on the site;
- January 6, 2017: The U.S. EPA issued its final cleanup plan (Record of Decision) for the Portland Harbor Superfund Site
- March 22, 2017: City Council accepted Prosper Portland's recommendation to pursue development of the full site, precluding re-occupancy of the remaining buildings by the Police Bureau's Mounted Patrol Unit, directed Prosper Portland to work with partner bureaus and pursue development of the full site that captures full land value and optimizes community benefits in alignment with the Framework Plan, including public access to the river and the greenway, and for Prosper Portland and the Portland Housing Bureau (PHB) to review all options for maximizing the development of housing affordable for people earning between 0% and 60% of median family income and to report their recommendations to Council (Resolution No. 37275);

- April 14, 2017: Prosper Portland entered into a contract with Real Estate Investment Group (REIG) for brokerage services to assist with selecting a development partner, and issued a Call for Offers of December 15, 2017;
- September 13, 2017: Prosper Portland Executive Director Kimberly Branam and PHB Director Kurt Creager provided a letter to City Council in response to Resolution No. 37275 outlining an approach to full development of the site including affordable housing.
- April 22, 2018: Prosper Portland entered into a non-binding Letter of Intent with Lynd Opportunity Partners;
- April 11, 2019: Lynd Opportunity Partners decided to no longer proceed with development of the property;
- June – December 2019: REIG solicited continued interest from the pool of potential development partners who had responded to the December 2017 Call for Offers, and received unsolicited interest from additional parties;
- January – March 2020: Prosper Portland staff conducted initial interviews with eight potential development partners.
- May 2020: Café recommended and the Executive Director approved shortlisting three developers: AJ Capital, Greystar, and Foundation Real Estate Development / Hake Development.
- February 2021: Prosper Portland Leadership provided direction to maximize financial return; remove the firm requirement for preservation of the Flour Mill; and utilize brokerage and internal expertise to evaluate “best and final offers” from the short-listed candidates.
- April – May 2021: Prosper Portland sought “best and final offers” from the short-listed candidates which did not result in a viable offer
- June 2021: CAFÉ authorized re-initiating Direct Marketing efforts with the intent of a streamlined evaluation process and modified development requirements.
- November 10, 2021: Prosper Portland Board authorizes terms for a disposition agreement with MLR Ventures, LLC