

**PROSPER PORTLAND**

Portland, Oregon

**RESOLUTION NO. 7486**

**AUTHORIZING AN EXCEPTION TO SUBLEASE GUIDELINES AT ALBERTA COMMONS FOR A SUBLEASE WITH MICRO ENTERPRISE SERVICES OF OREGON**

**WHEREAS**, the Albina Community Plan (“ACP”), adopted by the City of Portland in July 1993, directed to “revive commerce on NE Martin Luther King, Jr. Boulevard and foster the development of strong commercial nodes at the intersections of NE Martin Luther King, Jr. Boulevard and NE Killingsworth and NE Alberta streets”;

**WHEREAS**, to deliver on the ACP and the Interstate Corridor Tax Increment Finance district plan, Prosper Portland acquired property bounded by NE Martin Luther King, Jr. Boulevard, NE Alberta, NE Garfield, and NE Sumner streets for the purposes of a multi-phased redevelopment project known as Vanport Square;

**WHEREAS**, to complete the final phase of Vanport Square, on August 19, 2015, the Prosper Portland Board of Commissioners (“Board”) through Resolution Nos. 7139, 7140, and 7141 authorized a disposition and development agreement, master lease agreement (“Master Lease”), and special authority grant agreement with Majestic Realty Company (“MRC”) to construct an urban retail shopping center consisting of approximately 25,000 square feet of gross leasable space in two buildings (“Alberta Commons”);

**WHEREAS**, a Cooperation, Coordination, Project Implementation, and Community Benefits Agreement (“CBA”) was prepared and supported by key community members of the 2014 Project Working Group CBA Subcommittee, including Prosper Portland, development team members, and community partners, that ensured benefits accrue to the community as a result of developing Alberta Commons, including long-term affordable commercial space;

**WHEREAS**, to implement the objectives in the agency’s Affordable Commercial Tenanting Program, Prosper Portland master leased approximately 5,125 square feet of retail space from MRC in order to sublease to subtenants in furtherance of the CBA; convened a Retail Tenanting Advisory Committee to provide guidance on tenanting; and hired a commercial real estate broker to market the space;

**WHEREAS**, on November 8, 2017, the Prosper Portland Board through Resolution No. 7257 authorized the Executive Director to enter into subleases and extensions of subleases in general accordance with the terms of Exhibit A to Resolution No. 7257 (the “Sublease Guidelines”), with the provisions in the Master Lease, and subject to Prosper Portland Committee for Accountability Finance and Equity [f.k.a. the Financial Investment Committee] review, and authorized that the Executive Director may

make changes and amendments to such terms if, after consultation with General Counsel, it is determined that such changes would not materially increase risk or cost to Prosper Portland;

**WHEREAS**, the Sublease Guidelines provide for a “Minimum Rate” of rent of “\$18 NNN”, meaning \$18.00 per rentable square foot per year on a triple-net basis;

**WHEREAS**, based solely on a comparison of the Prosper Portland Board-approved minimum sublease base rent rate (including escalations) to the proposed sublease base rent rate (including escalations), Prosper Portland could expect to forgo \$48,343.00 of rental income over a five-year sublease period (\$9,669.00 per year); and

**WHEREAS**, subleasing the space to MESO for the operation of the Makers Market and Retail Incubator will provide increased retail opportunities for Portland’s BIPOC-owned businesses while also making BIPOC entrepreneurs aware of the programs and resources MESO has available to help them grow; and

**WHEREAS**, this action aligns with the Prosper Portland strategic objectives of i) fostering wealth creation within communities of color, and ii) creating healthy, complete neighborhoods, and also aligns with the CBA for Alberta Commons.

**NOW THEREFORE, BE IT RESOLVED**, that the Prosper Portland Board authorizes the Executive Director to enter into any sublease with MESO for space at Alberta Commons that would otherwise be within their authority, notwithstanding that the initial base rent under such sublease would be as low as \$14.00 per rentable square foot per year on a triple net basis;

**BE IT FURTHER RESOLVED**, that except as expressly provided in this resolution, nothing in this resolution is intended to otherwise limit or affect the authority of the Prosper Portland Board, or of the Executive Director, including their authority pursuant to Resolution No. 7257 to make changes and amendments to sublease terms if, after consultation with General Counsel, it is determined that such changes would not materially increase risk or cost to Prosper Portland;

**BE IT FURTHER RESOLVED**, that Prosper Portland hereby assumes no obligation to enter into any sublease whatsoever, and no person may treat this resolution as creating any such obligation; and

**BE IT FURTHER RESOLVED**, that with the affirmative vote of no less than four commissioners for this resolution, this resolution will become effective immediately upon its adoption, and otherwise it will take effect thirty days after adoption.

Adopted by the Prosper Portland Commission on June 21, 2023



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Pam Feigenbutz, Recording Secretary



**PROSPER  
PORTLAND**  
Building an Equitable Economy

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**RESOLUTION TITLE:**

AUTHORIZING AN EXCEPTION TO SUBLEASE GUIDELINES AT ALBERTA COMMONS FOR A SUBLEASE WITH MICRO ENTERPRISE SERVICES OF OREGON


Adopted by the Prosper Portland Commission on June 21, 2023

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 William Myers	<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 Sam Rodriguez	<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 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>  June 23, 2023
<b>Pam Feigenbutz, Recording Secretary</b>	