

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7504

APPROVING THE TERMS OF A SPECIAL AUTHORITY LOAN TO LEEROY & KIMBLE, LLC, IN AN AMOUNT NOT TO EXCEED \$3,000,000 FOR BUILD-OUT AND MANAGEMENT OF A FOOD HALL LOCATED AT 917 SW ALDER STREET

WHEREAS, the Commercial Property Redevelopment Loan Program (“CPRL Program”) was established through Resolution No. 6442, adopted by the Prosper Portland Board of Commissioners (“Board”) on February 28, 2007, and revised guidelines for the CPRL Program were subsequently adopted via Resolution No. 6863, adopted April 13, 2011 (“Program Guidelines”);

WHEREAS, the Program has provided critical investments implementing the City of Portland’s economic development strategies and is now under review for adjustments, updates, and new loan products for Prosper Portland investments to remain current and fill identified gaps in the market, particularly within historically underserved communities, while also contributing to Prosper Portland’s long-term financial sustainability;

WHEREAS, on April 26, 2023, through Resolution 37617, Portland City Council adopted Advance Portland as a framework for inclusive growth through interventions that advance competitiveness, anti-racism, and climate action;

WHEREAS, Advance Portland identifies the need to support small businesses, restaurants, and activation of ground floor commercial spaces in the Central City and to promote equitable wealth creation by allowing entrepreneurs to start and grow businesses through partnerships and capital;

WHEREAS, Leeroy & Kimble, LLC (“Borrower”) is the lessee of certain real property located at 917 SW Alder Street (“Property”), and proposes to improve the ground floor with an 8,226 square foot food hall featuring eight kitchen pods, a bar, and a coffee area offering indoor and outdoor seating while honoring the original Alder Street Food Carts previously located within the block (“Project”);

WHEREAS, Borrower has sought financing of up to \$3,000,000 as a loan from Prosper Portland loan to support Project construction and permanent financing needs; and

WHEREAS, Prosper Portland staff have determined that the Project, the Borrower, and the loan are not within the Program Guidelines, but align with Advance Portland and staff’s review of anticipated changes to the Program Guidelines and therefore this request is for a “special authority” loan.

NOW THEREFORE, BE IT RESOLVED, that the Prosper Portland Board authorizes the Executive Director to make a special authority loan and to execute all documents and instruments necessary to make the loan substantially in accordance with the terms attached hereto as Exhibit A;

BE IT FURTHER RESOLVED, that the Executive Director may approve changes to the special authority loan, if such changes do not materially increase Prosper Portland’s obligations or risks, as determined by the Executive Director in consultation with Prosper Portland’s General Counsel; and

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

Approved by the Prosper Portland Commission on October 11, 2023

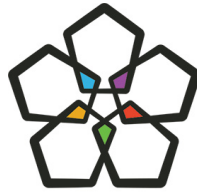


Pam Feigenbutz, Recording Secretary

SPECIAL AUTHORITY LOAN TERM SHEET

This Term Sheet does not and will not constitute a binding agreement. The terms set forth herein and other provisions customary for a transaction of this sort must, to be binding, be incorporated in one or more agreements, including the Loan Documents mentioned below, between Prosper Portland and the Borrower named below. Resolutions approving this Term Sheet will also authorize the execution of all additional documents and instruments necessary to make the loan.

Lender	Prosper Portland
Borrower	Leeroy & Kimble, LLC, an Oregon limited liability company, DBA "FLOCK" Food Hall
Project Location	917 SW Alder Street, Portland, OR 97205
Eligible Use of Funds	Construction costs related to tenant improvements
Loan Amount	Up to \$3,000,000
Disbursement Period	Through December 2024
Loan Fee	1.00%
Interest Rate	6.50%
Maturity	10 years (120 months)
Amortization	25 years (300 months)
Repayment	Interest-Only for the first 12 months, followed by principal & interest payments in year 2 through year 10 (108 months); balloon payment at maturity. Loan documents will require that within 60 days of receiving the three scheduled landlord allowance disbursements (1/3 completion, 1/3 completion, and 1/3 at certificate of occupancy), and letter of credit disbursements (\$217,878 12 months after opening, \$500,000 20 months after opening, and \$500,000 30 months after opening), Borrower shall remit the amount of those disbursements to Prosper Portland to be applied toward this loan.
Collateral	UCC-1 on all business assets of Borrower; deeds of trust in position satisfactory to Prosper Portland on each of the residential properties located at: (1) 4391 NW Ashbrook Dr, Portland, (2) 1561 NW Lakeway Lane, Beaverton, (3) 1164 NW Turnberry Terrace, Beaverton, (4) 10775 NE Gateway Place, Hillsboro, and (5) 4780 NW Allenbach Place, Portland.
Guaranties	Jae Kim; Daniel Lee; Shicheng Fang.
Express Condition	Lender's Board of Commissioners must have exercised its discretion to approve the loan in accordance with Lender's policies and with law.
Conditions to Close	Updated project budget, plans, and executed Operating Agreement for Leeroy & Kimble, LLC, all satisfactory to Prosper Portland. Borrower to obtain subordination non disturbance agreement from landlord's lender to ensure tenant's lease continues in case of foreclosure.
Compliance with Policies	The loan documents will require Borrower to comply with applicable Prosper Portland policies.



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Building an Equitable Economy

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RESOLUTION TITLE:

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Adopted by the Prosper Portland Commission on October 11, 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 Marcelino J. Alvarez	<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 Michi Slick	<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.

	Date: October 12, 2023
Pam Feigenbutz, Recording Secretary	