

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7507

**ADOPTING AFFORDABLE COMMERCIAL TENANTING GRANT PROGRAM
GUIDELINES**

WHEREAS, over the past eight years, Prosper Portland has made investments and approved lease terms to provide affordable commercial tenanting opportunities at properties owned or managed by Prosper Portland, including Alberta Commons, Lents Commons, 10th & Yamhill, and The Nick Fish;

WHEREAS, on June 13, 2018, through Resolution No. 7277, the Prosper Portland Board of Commissioners (“Board”) adopted rules for Prosper Portland’s administration and oversight of a parallel effort by the City of Portland, known as the City’s Affordable Commercial Space (“ACS”) program, which offers development incentives (City Code Section 33.130.212.D) to landlords who either lease commercial space to tenants at affordable rates or who make a payment in lieu to an ACS Fund managed by Prosper Portland;

WHEREAS, on April, 26 2023, through Resolution 37617, the City Council adopted Advance Portland, a five-year call to action for inclusive economic growth that specifically calls for strategic deployment of an affordable commercial tenanting program at Prosper Portland to support business opportunities and stabilization in priority areas; and

WHEREAS, the Affordable Commercial Tenanting (“ACT”) Grant Program Guidelines (“Guidelines”) attached as Exhibit A memorialize Prosper Portland’s efforts to expand opportunities for affordable commercial tenanting in partnership with private property and small business owners throughout the city and reflects Prosper Portland’s commitment to promote equitable wealth creation and foster a vibrant city and commercial districts, in alignment with Advance Portland.

NOW, THEREFORE, BE IT RESOLVED, that the Prosper Portland Board hereby adopts the Guidelines attached hereto as Exhibit A;

BE IT FURTHER RESOLVED, that the Executive Director is authorized to modify the Guidelines so long as such changes do not materially alter the program or increase Prosper Portland’s risks or obligations, as determined by the Executive Director in consultation with the General Counsel; 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 November 8, 2023



Pam Feigenbutz, Recording Secretary

AFFORDABLE COMMERCIAL TENANTING GRANT PROGRAM GUIDELINES

Purpose

The Affordable Commercial Tenanting (ACT) Program provides funding to property owners and small business owners to facilitate access to commercial space and support inclusive business growth. Grant funds may be used for tenant improvements, space-related soft costs, and permitting support to ready space to open for business. Technical assistance may also be available for business support.

ACT Program Overview

Prosper Portland will provide funds for real property improvements in ground floor commercial properties, and opportunities for local business owners to connect to technical assistance to foster business growth and wealth creation. In exchange, property owners will offer commercial space to eligible business owners at 10-25% below market rate of a comparable property. Applicants can be either the eligible Property Owner or eligible Business Owner as further described below. Grant amounts will generally be equal to the rent discount and tenant improvement subsidy provided to the benefit of tenants over the term of the lease and may not exceed \$300,000.

1. Eligible Property Owner

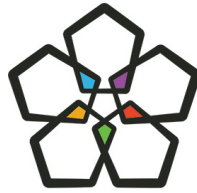
- a. Property:
 - i. Property owner must own a commercial space that shall be delivered in warm shell standard to support move in readiness. Warm shell standard shall include elements such as: finished HVAC system, drywall, flooring, ceiling, basic plumbing, electrical with outlets, lighting, and approved according to City of Portland building code requirements. A portion of the grant funds may be used to cover expenses to bring the space to this standard, but the majority of the funds must be used for tenant specific improvements. If additional funding is needed to bring space to a warm shell standard, Prosper Portland may have other grant or loan programs available, pending eligibility.
 - ii. Property must be at ground floor level.
 - iii. Property must be zoned for commercial/mixed use.
 - iv. Property owner must have a maintenance plan in place over the term of the lease.
 - v. All financial obligations related to the property must be current, including taxes and debt payments.
- b. Lease Terms:
 - i. Lessor must agree to provide a lease agreement for a minimum of three years to qualified business owners who fulfill the criteria below.
 - ii. Lease agreement(s) must provide a lease rate that is 10-25% below market rate of a comparable property, period of rent abatement, and/or capped rent escalations during the affordable rate period with the intent of stepping up towards a market rate.

2. Eligible Business Owner

- a. Business owner must identify with one or more of the following criteria:
 - i. Has been or is at risk of displacement due to gentrification;
 - ii. Has limited access to employment opportunities, capital and/or has not benefited from generational wealth;
 - iii. First generation business owner and/or first-generation college graduate; and/or
 - iv. Provides a product or service that benefits a historically underserved population.

- b. Applicant must demonstrate business experience of two or more years in one or more of the following ways:
 - i. Previous experience in their industry through pop-up shops, markets, trade shows, food trucks, etc.;
 - ii. Local business owner who previously had a business in the area but closed due to displacement or lack of access to capital; or
 - iii. Local business owner with a proven concept who is looking to expand into a second location.
 - c. Eligible Property: Applicant must have or be in the process of securing a lease that meets the criteria under 1a and 1b articulated above.
 - d. Business License: Applicant must have business registered with the State of Oregon Business Registry and have a current City of Portland business license by the time of the lease and grant agreement.
3. **Ineligible Entities.** The purpose of this program is to support the growth of local small businesses while improving commercial properties; therefore, certain persons or entities are not eligible applicants:
 - a. Property management company working on behalf of a property owner
 - b. Food cart pod owners or food truck owners and operators, unless they're opening a brick-and-mortar location for which grant funds could be dedicated
 - c. Mobile businesses
 - d. E-commerce businesses
4. **Grant Funds.** Grant funds are available for tenant improvement hard and soft costs, including achieving the warm shell standard articulated in the Eligible Property Owner section.
 - a. Grant amount shall not exceed \$300,000
 - b. Grant amounts will generally be equal to the rent discount and tenant improvement subsidy provided to the benefit of tenants over the term of the lease
 - c. Funds must be directed to warm shell or business specific tenant improvements for the business owner who is entering into a lease agreement with the property owner
 - d. Grant funds are subject to budget availability.
5. **Eligible Expenses.** Grant funds will be issued on a reimbursement basis to pay for:
 - a. Hard costs to ready the space for leasing referred to in Section 2(a) of these guidelines and other tenant improvement-related costs including but not limited to signage, landscaping, lighting, security upgrades
 - b. Up to \$25,000 can be used for soft costs including design, architectural and engineering services, permitting fees, and project management
 - c. Up to \$25,000 can be directed toward predevelopment work, including architectural, structural engineering, environmental, market or financial analysis associated with physical construction.
6. **Ineligible Expenses**
 - a. Inventory purchase or replacement
 - b. Non-permanent fixtures (e.g., unsecured shelving, furniture, etc.)

- c. Operating expenses (owners or employee wages, marketing, equipment, research and development, rent, etc.)
- d. General small business technical assistance (e.g., business planning or other support to strengthen business operations)



**PROSPER
PORTLAND**
Building an Equitable Economy

RESOLUTION NO. 7507

RESOLUTION TITLE:

ADOPTING AFFORDABLE COMMERCIAL TENANTING GRANT PROGRAM GUIDELINES


Adopted by the Prosper Portland Commission on November 8, 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: November 14, 2023
Pam Feigenbutz, Recording Secretary	