

**PROSPER PORTLAND**

Portland, Oregon

**RESOLUTION NO. 7594**

**AUTHORIZING THE TERMS OF A COMMERCIAL PROPERTY LOAN TO FUTURE STACK, LLC, IN AN AMOUNT NOT TO EXCEED \$7,000,000 FOR ACQUISITION AND IMPROVEMENT OF TWO COMMERCIAL BUILDINGS AT 208 NW 5<sup>th</sup> AVENUE AND 234 NW 5<sup>th</sup> AVENUE**

**WHEREAS**, in 2014, Prosper Portland, City of Portland (“City”) Bureaus, the Old Town Community Association, and other neighborhood stakeholders collaborated to formulate the Old Town/Chinatown Five-Year Action Plan (“2014 Action Plan”), which was adopted by Portland City Council (“City Council”) through Ordinance No. 186744 on August 6, 2014;

**WHEREAS**, on September 4, 2019, through Resolution No. 37445, the City Council adopted the Old Town/Chinatown Five-Year Action Plan Extension (“Action Plan”), extending the 2014 Action Plan through 2024;

**WHEREAS**, on August 14, 2019, through Resolution No. 7330, the Prosper Portland Board of Commissioners (“Board”) adopted the Action Plan;

**WHEREAS**, on April 26, 2023, through Resolution No. 37617, the City Council adopted Advance Portland, a five-year strategic plan for Prosper Portland that calls for the promotion of inclusive economic growth, innovation, and wealth creation;

**WHEREAS**, the real properties commonly known as 208 NW 5th Ave. and 234 NW 5th Ave., located in the Old Town/Chinatown district, are linked by a recorded covenant not to sell separately, and are improved with two and seven-story buildings (respectively) consisting of approximately 98,000 square feet of net rentable area, which are currently vacant (collectively, the “Property”);

**WHEREAS**, Future Stack, LLC (“Future Stack”) is pursuing a locally-driven initiative, known as Made in Old Town (“Project”), to create a campus where footwear and apparel creatives can innovate more quickly and efficiently than currently possible, with a goal to foster innovation and achieve efficiencies by concentrating talent and suppliers in close proximity to each other, and to accelerate on-premises sample-making instead of depending on the offshore supply chain;

**WHEREAS**, Future Stack has purchased 333 NW 5<sup>th</sup> Ave. to constitute a part of the Project, called “The Engine,” dedicated to manufacturing finished goods (footwear and apparel), but requires additional campus property to serve other functions;

**WHEREAS**, Future Stack has approached Prosper Portland seeking financial assistance to acquire

and improve the Property as components of the Project campus, with 208 NW 5th Ave (to be known as “The Hub”) to provide secure storage for intellectual property, studio space, and secure private brand suites, and 234 NW 5<sup>th</sup> Ave. (to be known as “The Tower”) to host material and process suppliers, specialty vendors, research labs, private office space, showcase space for vendors, open flexible desk space, a hands-on makers space, bookable meeting space, and workshop/lecture rooms;

**WHEREAS**, on March 13, 2024, through Resolution No. 7525, the Prosper Portland Board adopted Commercial Property Loan Program Guidelines (“Guidelines”) to, among other things, establish lending parameters for property acquisition and construction loans for projects like the Project;

**WHEREAS**, the Prosper Portland Board anticipated that certain loans not meeting all Guidelines may nonetheless be prudent uses of agency resources where the loan could make a high impact in furtherance of important agency and community goals and strategic priorities;

**WHEREAS**, redevelopment of and investment in Old Town/Chinatown is a very high priority for the City, Prosper Portland, and the neighborhood;

**WHEREAS**, the Project aligns closely with the Advance Portland plan (including by increasing commercialization of research and development; retaining and increasing commercial activity and supporting small businesses in the Central City; activating vacant properties with community serving businesses; and locating major economic investments and target business growth near underserved areas), and with the Action Plan (including by promoting business vitality and cluster industry support; and

**WHEREAS**, the Project’s high impact represents a compelling opportunity to achieve strategic goals, justifying certain financing terms meant to preserve Project feasibility considering its specific circumstances, with appropriate guardrails to limit agency risk, and these terms necessitate exceptions to certain Guidelines.

**NOW, THEREFORE, BE IT RESOLVED**, that the Executive Director is authorized to oversee the negotiation of, and to execute, a loan agreement and related documents necessary to make an acquisition and construction loan to Future Stack substantially in conformance with the terms attached hereto as Exhibit A, notwithstanding the exceptions to Guidelines described therein;

**BE IT FURTHER RESOLVED**, that the Executive Director may approve changes to the loan terms so long as 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 at least four members of the Prosper Portland Board and of all members present, 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 February 12, 2025



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Pam Feigenbutz, Recording Secretary

**COMMERCIAL PROPERTY LOAN TERM SHEET**

This Term Sheet does not and will not constitute a binding agreement and does not reflect or create any enforceable obligations. The terms set forth herein and other provisions customary for a transaction of this sort would 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 provide for the execution of all additional documents and instruments necessary to make the loan.

Lender	Prosper Portland
Borrower	Future Stack, LLC, an Oregon limited liability company
Project Location	208 NW 5 <sup>th</sup> Avenue (the “Hub”) and 234 NW 5 <sup>th</sup> Avenue (the “Tower”)
Loan Type	Commercial Property
Eligible Uses of Funds	For Lender-approved costs of \$6,000,000 toward acquisition, and \$1,000,000 for tenant improvements, as further specified in the loan documents. Borrower may request to use a portion of the TI budget as an interest reserve, contingent on Prosper Portland approval.
Loan Amount	Maximum of \$7,000,000.00.
Loan Fee	2% of the Loan Amount.
Disbursement Period	Through April 30, 2026.
Interest Rate	Interest will accrue on funds disbursed, at an ordinary rate of three percent (3.00%) per annum.
Financing Conditions	<p>Conditions to close include receipt and acceptable review of the following items:</p> <ul style="list-style-type: none"> <li>• Provide copy of “Termination Agreement” dated April 11, 2023, with Workandco, Inc., if applicable;</li> <li>• Provide copy of executed sixth amendment currently in development between Seller and Workandco, Inc., if applicable;</li> <li>• Provide copies of executed estoppel certificates from Workandco, Inc. and Onsite Advertising Services, LLC;</li> <li>• Explanation of how the Workandco, Inc. payments will continue to flow to Borrower after Borrower occupancy of HUB space.</li> <li>• Explanation of how tenant improvements will be completed in the event the State of Oregon does not fund the grant for the financing stack shortfall.</li> </ul>
Maturity	15 years (180 months).
Amortization	40 years (480 months), balloon payment at end of Maturity of approximately \$5.4 million.
Payment Schedule/ Prepayment	<p>Interest-only payments required monthly for 12 months, starting the calendar month after the loan date.</p> <p>Thereafter, monthly payments of principal and interest required, calculated using an amortization period of 480 months.</p> <p>All outstanding indebtedness due at maturity.</p>

Collateral	Deed of Trust in first position on subject property, described on the attached Schedule A. Blanket UCC-1 on business personal property.
Guaranties	Unlimited guaranty from The Old Town Perpetual Purpose Trust (Borrower's sole Member).
Assignability	Assignment by Borrower is not permitted without consent of Lender.
Express Condition(s)	<p>Lender's Board of Commissioners must have exercised its discretion to approve the loan in accordance with Lender's policies and with law.</p> <p>It will be a material default by Borrower if Borrower has failed to provide Lender, on or before June 30, 2025, with sufficient and satisfactory evidence that Borrower has fully secured all funding, in free cash or irrevocable financing commitments acceptable to Lender, necessary to pay for all Hard Costs, Soft Costs, and Leasehold Improvements of the Project, consistent with any Lender-approved budget, which the Report reflects are currently estimated to total \$5,732,936.00. In the event of such material default, Lender may exercise any remedies available by law or under the Loan Documents, including but not limited to accelerating the loan so that all outstanding indebtedness is immediately due and payable in full.</p> <p>Prosper Portland will have the right to review and give or withhold consent to the terms of any additional debt that will be secured by the Collateral, in Prosper Portland's sole and absolute discretion.</p>
Loan Documents	The loan will be documented by a set of commercially reasonable loan documents mutually acceptable to the Lender and Borrower in their respective sole discretion that include additional terms describing the parties' rights and obligations.
Compliance with Policies	The loan documents will require Borrower to comply with Prosper Portland business equity and workforce development and green building policies during the construction of the Project.
Exceptions to Commercial Property Loan Program Guidelines	<ul style="list-style-type: none"> <li>• \$7,000,000 loan exceeds \$5,000,000 maximum program Guidelines;</li> <li>• 3% interest rate is lower than program Guidelines (10-year treasury + margin);</li> <li>• 15-year maturity exceeds 5-year construction maximum but conforms with 15-year permanent financing guideline.</li> </ul>

**Schedule A**

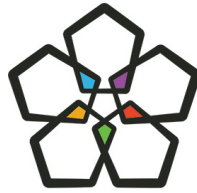
Legal Description:

PARCEL I: Lots 2 and 3, Block 34, COUCH'S ADDITION TO THE CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

PARCEL II: Lots 6 and 7, Block 34, COUCH'S ADDITION TO THE CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

Commonly known as: 208-234 NW 5th Avenue, Portland, OR 97209

Property ID Numbers: R140431 and R140432



**PROSPER  
PORTLAND**  
Building an Equitable Economy

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**RESOLUTION TITLE:**

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Adopted by the Prosper Portland Commission on February 12, 2025

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 Felisa Hagins	<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.*

	<b>Date:</b>  February 21, 2025
<b>Pam Feigenbutz, Recording Secretary</b>	