

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7597

APPROVING TERMS FOR LEASE AGREEMENTS AT THE FAIRFIELD BUILDING; ADOPTING THE FAIRFIELD COMMERCIAL PROPERTY PLAN; AND AUTHORIZING ADDITIONAL FUNDING FOR BUILD-OUT OF COMMERCIAL SPACE AND OTHER TENANT ASSISTANCE

WHEREAS, on February 8, 2023, the Prosper Portland Board through Resolution No. 7476 authorized the purchase of a 2,467 square foot ground floor commercial retail condominium space (the "Retail Unit") in a building being redevelopment by Home Forward at 1103 - 1121 SW Harvey Milk Street (the "Fairfield Building"), located within the recently terminated River District Tax Increment Finance ("TIF") District;

WHEREAS, Prosper Portland purchased the Retail Unit for \$2,500,000 using \$1,900,000 in federal American Rescue Plan Act Phase 2 funding that was provided through the City of Portland and \$600,000 in River District TIF funding;

WHEREAS, the Retail Unit was acquired for the purpose of providing affordable commercial space to local small businesses, and Resolution No. 7476 further authorized the additional expenditure of \$100,000 by Prosper Portland for future tenant improvements and assistance;

WHEREAS, to streamline the retail leasing process and expedite negotiations with prospective tenants, Prosper Portland staff have developed a proposed business plan and leasing guidelines document (the "Fairfield Commercial Leasing Guidelines") to establish a pre-approved lease rate range for the Retail Unit, with a set minimum tied to certain affordability goals;

WHEREAS, pursuant to the Disposition and Leasing of Real Property Policy, adopted by the Prosper Portland Board through Resolution No. 7301 on February 13, 2019, staff is seeking the Prosper Portland Board's approval of the Fairfield Commercial Leasing Guidelines, as described on Exhibit A, to enable the negotiation and execution of leases consistent with the Lease Terms Summary without further approval by the Prosper Portland Board on a lease-by-lease basis; and

WHEREAS, prospective tenants' needs for tenant improvements and other assistance are anticipated to be higher than initially projected at the time the Fairfield Building acquisition through Resolution No. 7476 was adopted, and therefore staff is also seeking to increase the funding authorized by Resolution No. 7476 from \$100,000, to an amount not to exceed \$344,310, to be used for tenant improvements, interior finish work, temporary rent abatement, and other reasonable tenant assistance.

NOW THEREFORE, BE IT RESOLVED, that Prosper Portland Board authorizes the Executive Director to enter into leases, and extensions and modifications or amendments of leases, consistent with

the Fairfield Commercial Leasing Guidelines attached to this Resolution as Exhibit A and adopts the Fairfield Commercial Property Plan attached to this Resolution as Exhibit B;

BE IT FURTHER RESOLVED, that the funding authorization for tenant improvements and other assistance provided by the Prosper Portland Board in Resolution No. 7476, adopted February 8, 2023, is increased to a new not to exceed amount of \$344,310; 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 March 12, 2025



Pam Feigenbutz, Recording Secretary

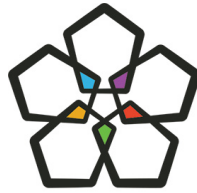
FAIRFIELD LEASING GUIDELINES

Maximum Total Term (Initial term and option periods)	Up to 15 years
Lease Rates	Minimum of \$16 per square foot per year
Tenant Improvement (TI) Allowances	The individual TI allowance target for these tenants will be \$75/sf but may be adjusted up or down based on strategic alignment and budget availability.

Fairfield Commercial

Property Strategic Considerations	
Goals & Objectives	
Acquisition Date & Purpose	Aug. 2024 from Home Forward in order to operate ground floor commercial space.
Property Plan Objective	Operate 3,000 sf of affordable retail
2015-2020 Strategic Plan Objective(s)	Objective 1: Create Healthy, Complete Neighborhoods Throughout Portland (Outcome 1.1: Vibrant Communities & Corridors)
Financial Sustainability Plan Objective	Program Related Investment - 2.5%
Equity Objective(s)	Development: Focus on fostering vibrant neighborhoods, supporting community development, and advancing economic opportunities for underrepresented populations.
Property Information	
Property Characteristics	
Property Code ¹	330-A00186
Property Name(s)	Fairfield
Project Name(s)	Fairfield
Property Description	Affordable housing project to be owned by Home Forward with 75 units of housing on three floors with the ground floor containing tenant services and three retail units financed and owned by Prosper Portland upon completion in 2024 through a condominium ownership structure
Address	1103-1121 SW Harvey Milk St.
RNumber(s)	R246179
Tax Lot Description(s)	Portland Block 88 TL 200
Lot Size	.18 acres (7,780 sq ft)
Building SF	32,972 sq ft
Commerical SF	103 – 662sf; 104 – 957sf; 105 - 849sf
Neighborhood	
URA	River District moving to West End
Neighborhood	Central City Planning District - West End
NMTC Census Tract	Census Tract
Opportunity Zone	No
Zoning	CX-Central Commercial (d)design overlay
Base FAR & Height	4:1 ; 75'
Financial Baseline	
Assessed Value (2021)	\$11,882,000 (building and land)
Real Market Value (2022)	\$1,475,000 (building and land) sale price
Appraised Value	N/A
Financial Sustainability Plan Cash Flow	TBD
Due Diligence	
Alta/As-Built	As-Builts and O&M - 2025
Title Report	N/A
Title Easements	N/A

Board Resolution – Approving Fairfield Property Plan & Leasing Guidelines	
Site Constraints	None
Environmental Documents/Notes	None
Additional Information	
Historical Background	Built in 1911, the Fairfield is an 82-unit, four-story brick building consisting of single room occupancy (SRO) units. PHB purchased the Fairfield from the Portland Development Commission in 2010 and Home Forward has asset managed the property since July 2017. In January 2021, PHB and Home Forward entered into a Memorandum of Agreement and Option to Sell Land and Improvements for the Fairfield for \$1, PHB and Home Forward did not plan for the Fairfield to retain a commercial component due to the financing gap it would create. Following the OHCS award and recent discussions with Commissioner Ryan’s office and the surrounding business community, Prosper Portland agreed to finance commercial space in the project.
Interim Activity Strategy	
Development Goals & Objectives	
Re-Development/Re-Use	
Active/Inactive	Active
Phase of Development (acquisition, community process, predev, disposition, construction)	Acquisition – Condominium documents signed February 6, 2025 Operating – working with Broker to tenant 3 commercial spaces
Development Concept(s)	3,000 sf of ground floor commercial space with three floors of affordable housing units (75).
Action Plan / Framework(s)	Tenant and operate 3 ground floor commercial spaces
URA / Community Goal(s)	Affordable housing and ground floor commercial.
Major Consultant Contracts	N/A
Major Milestone(s) & Deadline(s)	Construction complete and COO issued June 2024; Condominium sale closed February 2025.
Project Budget	Commercial Sale: \$2.6 M (ARPA \$1.9M, RD TIF \$0.7M); Tenant Improvements, Broker Fees, and Operational Shortfalls: \$300,000
Project Manager	Ember Breckenridge
Project Team Member(s)	Real Estate Team
Project Sponsor	Lisa Abuaf
Developer	Home Forward
Major External Stakeholder(s)	Local retail community
Major Bureau Partner(s)	PHB
Agency Approvals & Recommendations	
Cafe Approval(s)	Lease terms on Feb 13, 2025
Board/Council Approval(s)	Planned for March 12, 2025 Board meeting
Agreements	
LOI/MOU/DDA/PSA	Negotiating LOI for Suite 103
Additional Notes	



**PROSPER
PORTLAND**
Building an Equitable Economy

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RESOLUTION TITLE:

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Adopted by the Prosper Portland Commission on March 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.

	Date: March 18, 2025
Pam Feigenbutz, Recording Secretary	