

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7616

**APPROVING THE TERMS OF A LOAN TO THE HISTORIC PORTLAND
PUBLIC MARKET FOUNDATION DBA JAMES BEARD PUBLIC MARKET, IN
AN AMOUNT NOT TO EXCEED \$2,683,125 FOR THE RENOVATION OF
TWO COMMERCIAL BUILDINGS LOCATED AT 610 AND 622 SW ALDER
IN THE WESTSIDE TAX INCREMENT FINANCING DISTRICT**

WHEREAS, on April 26, 2023, City Council through Resolution 37617 adopted Advance Portland: A Call to Action for Inclusive Economic Growth, which directs action to pursue Tax Increment Financing (TIF) as a tool for inclusive growth and stabilization within the Central City and in alignment with community led TIF exploration in East Portland;

WHEREAS, on August 28, 2024, the Prosper Portland Board through Resolution 7571 approved the Westside TIF Plan and Report and directed that the Westside TIF Plan and Report be forwarded to City Council for adoption by nonemergency ordinance;

WHEREAS, that consistent with Oregon Revised Statutes 457.089, the Prosper Portland Board forwarded the Westside TIF Plan and Report to the Planning Commission for its recommendations to the Portland City Council;

WHEREAS, on October 30, 2024, the City Council approved Ordinance 191941, authorizing the Westside Tax Increment Financing ("TIF") Plan;

WHEREAS, the real properties commonly known as 610 SW Alder St. and 622 SW Alder St., located in the Westside Tax Increment Financing District, are the sites for the proposed James Beard Public Market, consisting of approximately 38,000 square feet of net rentable area (collectively, the "Properties");

WHEREAS, Historic Portland Public Market Foundation ("HPPMF") is pursuing a locally-driven initiative, known as the James Beard Public Market ("Project"), to create a daily, year-round indoor public market and culinary center that will showcase Oregon's agricultural bounty and support local food producers and artisans;

WHEREAS, HPPMF has approached Prosper Portland seeking financial assistance to renovate the Properties as components of the Project, with the creation of anchor tenant spaces, vendor stalls, event spaces, a rooftop terrace and other amenities;

WHEREAS, the Project aligns closely with the Advance Portland plan (including by retaining and increasing commercial activity and supporting small businesses in the Central City, attracting more visitors through events and activation, supporting regional cultural organizations, and activating vacant properties and storefronts with community serving businesses);

WHEREAS, the Project's high impact represents a compelling opportunity to achieve strategic objectives, justifying certain financing terms meant to preserve Project feasibility considering its specific circumstances, and these terms necessitate the structuring of a non-programmatic loan to meet the unique funding needs of the Project;

WHEREAS, the subject loan will be funded from the agency's Citywide Grants & Investment Fund (CGIF), which currently has \$2.0 million allocated for the project;

WHEREAS, Prosper Portland will adjust the budget as part of FY2025-26 Budget Amendment No. 1 to transfer \$1.0 million of funds from the Strategic Investment Fund to the project allocation, per City Council budget direction, to provide the full \$3.0 million tranche of funding from the agency;

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 a loan to The Historic Portland Public Market Foundation substantially in conformance with the terms attached hereto as Exhibit A;

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

July 9, 2025



Pam Feigenbutz, Recording Secretary

Term Sheet
James Beard Public Market

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|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Borrower | Historic Portland Public Market Foundation dba James Beard Public Market |
| Project Address | 610 & 622 SW Alder Street, Portland, Oregon 97205 |
| Loan Programs | Nonprogrammatic Loan |
| Loan Amount | \$2,683,125 (\$2,650,000 + \$33,125 Interest Reserve) (12 months) |
| Fund | Citywide Grants & Investments Fund |
| Request + Use of Funds | James Beard Public Market is seeking capital for the major renovation of a commercial building located at the addresses noted above into a daily, year-round indoor public market and culinary center. |
| Project Details | The James Beard Public Market (JBPM) is a new public market concept within two existing buildings in downtown Portland: the Selling Building at 606 SW Alder and the Ungar Building at 622 SW Alder. The combined square footage of the proposed project is approximately 38,140 sf and, when completed, will include vendor stalls, a restaurant, community space, a cookbook store, vendor storage and a possible roof deck. The vision for the project is to build a dynamic, community-centered marketplace that honors the legacy of James Beard, while fostering economic opportunity, food equity, and cultural connection. |
| Loan Fee | N/A |
| Interest Rate; Disbursements | 2.5% interest rate during construction phase; Payments to be drawn from interest reserve, estimated to be \$33,125 for the 12-month construction period. Repayment of all drawn down interest reserve funds due at end of construction phase. 2.5% interest rate on permanent loan, Principal and interest payments on any remaining balance that is not forgiven due to project milestones not being met. |
| Loan Term; Payments | Total term of 11 years, which includes a one-year construction loan term and 10-year permanent loan term (for any remaining loan balance that may not be forgiven). Construction loan - Maturity at one year (12 months) from the loan closing date. Interest-only monthly payments due during this period, which will be drawn from interest reserve. Permanent loan – Maturity at 10 years (120 months) commencing at the maturity of the construction loan. Payments of principal and interest will be due, calculated on an assumed amortization period of 10 years. All outstanding principal and interest due at maturity. No prepayment penalty. |
| Requirements | <ol style="list-style-type: none">1. Loan proceeds may be used for design/permitting and hard construction costs associated with the project, which will be disbursed as invoices and associated lien waivers are received, reviewed and accepted by Prosper Portland.2. City of Portland Business License: Must maintain a current and active City of Portland Business Licenses.3. Proof of Oregon Secretary of State Registration.4. Agreement to annual review of financial statements by Prosper Portland until the end of the permanent loan term. |

5. Adherence to Prosper Portland Construction Business and Workforce Equity and Green Building Policies.
6. If the project is sold in the future, the proceeds must go to a community focused entity that aligns with the original intent of the James Beard Public Market.
7. Documentation evidencing MESO/JPBM partnership and MESO's active engagement with at least three vendors selected for the Market.
8. Executed contract with general contractor must be reviewed and acceptable to Prosper Portland prior to disbursement of loan funds.

Collateral

Borrower will grant Prosper Portland a lien on the property to secure all loan indebtedness that may arise until the loan is paid off or forgiven. The lien will be subordinated to other financing secured by the property, if applicable.

Guarantors:

Non-recourse.

**Effect of Term Sheet;
Loan Documentation:**

This Term Sheet does 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 acceptable to Prosper Portland and to the Borrower in their respective sole and absolute discretion. Resolutions approving this Term Sheet will also provide for the execution of all additional documents and instruments necessary to make the loan.

Loan Disbursement & Forgiveness Schedule

| <u>Event/Milestone</u> | <u>Deliverable</u> | <u>Disbursements and Forgiveness</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Project Funding & General Contractor Secured 2. Review of loan terms from other lenders providing funding for the project. | <p>Executed contract with general contractor must be reviewed and deemed acceptable to Prosper Portland prior to disbursement of loan funds.</p> <p>In the event a loan is needed from another source, Prosper Portland will require the Market to provide a copy of the loan documents.</p> | <p>Disbursement of loan funds can commence; will adhere to project progress and require typical progress invoices, lien waivers, etc.</p> <p>This review is not required prior to the disbursement of loan funds.</p> |
| 3. Vendor Leasing Establish partnership with MESO that provides technical assistance, vendor education and pop-up vending opportunities, with clearly defined goals and outcomes. Active engagement with minimum of three tenants in alignment with MESO mission and services. | <p>1. Established relationship with MESO to support tenants, with clearly defined goals and outcomes.</p> <p>2. Provides documentation demonstrating active engagement with initial cohort of at least three vendors selected as tenants at the Market.</p> | <p>50% of loan balance will be forgiven; accrued interest will not be forgiven.</p> <p>Milestone must be met by the time Certificate of Occupancy is received. Forgiveness based on this milestone will be granted only after entire loan has been disbursed and construction is complete.</p> |
| 4. Construction Completion Building has obtained Certificate of Occupancy (CoC) including completion of tenant improvements for vendor spaces. | <p>Certificate of Occupancy (CoC).</p> | <p>50% of loan balance will be forgiven; accrued interest will not be forgiven.</p> <p>Forgiveness based on this milestone will be granted once entire loan has been disbursed and all milestones have been met.</p> |



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RESOLUTION TITLE:

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Adopted by the Prosper Portland Commission on July 9, 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 type="checkbox"/> | VACANT | <input 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: July 15, 2025 |
| Pam Feigenbutz, Recording Secretary | |