



DATE: June 17, 2026
TO: Board of Commissioners
FROM: Cornell Wesley, Executive Director
SUBJECT: Report Number 26-23

Authorizing the Sale of a 1.22 Acres Prosper Portland-owned Property in the Interstate Corridor Tax Increment Finance District

Board action requested and brief description

Adopt Resolution No. 7654

This action by the Prosper Portland Board of Commissioners (Board) will authorize the Executive Director to sell and convey a multi-building industrial flex property consisting of 1.22 acres located at 8411 N Denver Avenue, 2024 N Argyle Street, and 2040 N Argyle Street (Property) in the Interstate Corridor Tax Increment Finance (TIF) District. Figure Plant LLC (Figure Plant or Buyer), a member-managed corporation owned by David Frederickson, an existing tenant at the Property, has agreed to purchase the property for \$2,400,000. If approved, the action will authorize the Executive Director to proceed with the sale of the Property under the terms of the Purchase and Sale Agreement (PSA) included as Exhibit A to Resolution 7654, and summarized in Attachment A.

Strategic alignment and outcomes

This action will deliver on Advance Portland Objective 1: Propel Inclusive Economic Growth and Innovation and Objective 3: Foster a Vibrant Central City and Commercial Districts by supporting a mid-sized local cluster company in its efforts to scale and grow (Objective 1.3.4 Implement targeted scale-up capital and technical support) as well as retaining a significant employer adjacent to the Kenton Commercial Historic District (Objectives 3.2.1 - Identify key locations and incentives for anchor business retention and recruitment; and 3.5.4 - Support retail and commercial tenants facing increasing market pressures and prevent displacement).

Background and context

Prosper Portland acquired the 1.22 acres Property as part of a four-parcel, non-contiguous 3.5-acre assemblage adjacent to the Interstate Avenue MAX station through Resolution No. 6872 on May 11, 2011. The full 3.5 acres were acquired for \$3,657,000 to support economic development within the Kenton business district, as outlined in the Seventh Amendment to the Interstate Corridor Urban Renewal Plan, also approved on May 11, 2011, through Resolution No. 6871. The Property was allocated an acquisition basis of \$1,575,089. Between 2012 and 2019, Prosper Portland invested more than \$500,000 in total property improvements, including a new roof in 2013 and tenant improvements to enhance the building's condition and support several tenants during that time.

Figure Plant's tenancy in the Nelson Building, located at 8411 N Denver Avenue, predates Prosper Portland's acquisition of the property. Their business focuses on bespoke design and construction of interactive displays and creative exhibits for clients' brand activation. The company employs over 30 staff who are skilled in wood, metal, electronic, and composite materials design and construction. Additionally, Figure Plant contracts with multiple local suppliers throughout the metro area, creating second and third order economic impacts. Figure Plant has faced increasing market pressures as industrial rents have increased over the past 15 years.

There are currently two other tenants at the Property. Both leases will be assigned to the Buyer at Closing.

Equity impact

This action will allow Figure Plant to continue operating at its current location and expand into additional buildings on the Property. The company identified limited workspace as a key constraint on growth. Expansion is expected to create new local jobs and generate broader economic benefits for suppliers and contractors.

Community Participation and Feedback

There has been no community engagement specific to this proposed disposition. The Buyer is the long-time tenant of the Property who approached the Board requesting the acquisition in 2025. Staff engaged in direct negotiations with the Buyer, pursuant to the Board-approved Financial Investments and Real Estate Policy (FINREP).

Budget and Financial Information

The sale of the Property will generate \$2,400,000 in proceeds, net closing costs and commissions. Sale proceeds will be deposited in the Interstate TIF District Fund and the corresponding real estate asset will be disposed. Per the FINREP, net proceeds may ultimately be transferred to the Strategic Investment Fund for reinvestment in citywide priorities as there are already adequate resources in the TIF District to complete all N/NE Action Plan commitments and other district commitments. Prosper Portland will save nearly \$250,000 in future projected expenditures over the next two years related to property management costs.

Scheduled rents and reimbursements at the property for the first half of fiscal year (FY) 2025/26 show approximately \$200,000, with expenses of about \$100,000. Annualizing these figures yields a net income of roughly \$200,000. However, accrual income does not accurately reflect actual revenue cash balances which was approximately \$44,652 in rents and reimbursements for the first half of FY 2025/26. (Note Financial Summary included as Attachment C.)

Risk Assessment

Standard disposition risks apply including failure to close, price reduction due to due diligence discoveries, or financing issue. If the transaction is not approved by the Board, or does not close, staff will take steps to address the rising receivables, pursue new leases, and continue to operate the Property. Tenancing costs are expected to range from

\$200,000 to \$250,000 over the next 24 to 36 months, with potential net income of approximately \$180,000 per year thereafter.

Attachments

- A. Summary of Disposition Terms
- B. Property Map
- C. Financial Summary
- D. Property Plan

Summary of Disposition Terms

Buyer	Figure Plant or related entity
Seller	Prosper Portland
Property	8411 N. Denver Ave, 2024 N Argyle St, 2040 N. Argyle St, Portland 97217 together with all leases
Property Condition	AS-IS WHERE-IS
Purchase Price	\$2,400,000.00
Earnest Money	\$40,000.00 immediately non-refundable
Due Diligence Period	Sixty (60) days from PSA execution
Financing Period	Sixty (60) days from PSA execution
Closing	Within fifteen (15) days of waiver of contingencies
Seller Leaseback	Approximately 2,000 sqft; term expires 90 days; no rent due
Brokerage Commission	3% of Purchase Price

Financial Summary

Interstate Corridor TIF Fund	Revised FY 2025-26	Approved FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30	Forecast FY 2030-31
Resources						
Beginning Fund Balance	84,150,089	44,112,171	8,854,737	3,891,078	3,554,749	3,751,039
Revenue						
Interest on Investments	2,103,752	1,102,804	221,368	97,277	88,869	93,776
Rent and Property Income	407,170	237,326	238,266	175,815	181,089	186,522
Reimbursements	137,927	97,962	98,952	65,000	65,000	68,618
Total Revenue	2,648,849	1,438,092	558,586	338,092	334,958	348,916
Total Resources	86,798,938	45,550,263	9,413,323	4,229,170	3,889,707	4,099,955
Requirements						
Administration						
A00030-Debt Management & Legal-ISC	195,955	69,800	69,800	69,800	69,800	-
Administration Total	195,955	69,800	69,800	69,800	69,800	-
Economic Development						
Business Advancement & Traded Sector						
A00381-Lean Manufacturing-ISC	45,231	-	-	-	-	-
Community Economic Development						
A00106-Neighborhood Prosperity Network-ISC	100,000	-	-	-	-	-
A00122-Community Development-ISC	49,036	-	-	-	-	-
Business Lending						
A00209-Business Lending-ISC	399,984	500,000	500,000	-	-	-
Economic Development Total	594,251	500,000	500,000	-	-	-
Housing						
A00171-Affordable Housing-ISC	18,885,879	17,985,948	-	-	-	-
A00516-N/NE Middle Income Housing (Goal 3)-ISC	704,915	1,521,903	-	-	-	-
A00746-Downpayment Assistance Loan Program (Goal 3)-ISC	1,000,000	-	-	-	-	-
A00805-Williams & Russell Affordable Home Ownership-ISC	1,000,000	-	-	-	-	-
A00806-Williams & Russell Affordable Rental-ISC	1,000,000	-	-	-	-	-
Housing Total	22,590,794	19,507,851	-	-	-	-
Property Redevelopment						
Commercial Property Lending						
A00366-Property Development Large Loan (Goal 1)-ISC	145,000	-	-	-	-	-
A00527-Tenant Improvement PIP Match (Goal 2)-ISC	1,017	-	-	-	-	-
A00532-Williams and Russell-ISC	10,000,000	-	-	-	-	-
A00745-Cultural Business Hub (Goal 5)-ISC	-	-	3,500,000	-	-	-
Real Estate Management						
A00333-MLK & Alberta-ISC	305,633	308,947	259,691	-	-	-
A00335-Nelson Building Industrial-ISC	133,905	123,905	123,905	-	-	-
A00336-Spar-Tek Building-ISC	52,756	54,000	54,000	54,000	54,000	54,000
A00338-3620 NE MLK Parking-ISC	15,838	-	-	-	-	-

A00552-Albina Triangle-ISC	14,832	8,217	14,849	14,859	14,868	14,879
A00515-MLK Heritage Markers-ISC	3,500	-	-	-	-	-
A00812-Cultural Business Hub (HMS)	1,650,000	350,000	-	-	-	-
A00813-Cultural Business Hub (BUF)	-	3,300,000	-	-	-	-
A00814-Cultural Business Hub (W&R)	-	10,150,000	-	-	-	-
Redevelopment Grants						
A00131-Community Livability Grant (Goal 4)-ISC	371,226	200,000	-	-	-	-
A00502-Prosperity Investment Program Small Scale Grant (Goal 1)-ISC	380,780	200,000	-	-	-	-
A00736-Prosperity Investment Program Grant (Goal 2)-ISC	755,362	-	-	-	-	-
A00737-Affordable Commercial Space (Goal 2)-ISC	2,923,876	-	-	-	-	-
A00774-Percent of Arts Grants-ISC	21,803	-	-	-	-	-
Property Redevelopment Total	16,775,528	14,695,069	3,952,445	68,859	68,868	68,879
Total Program Expenditures	40,156,528	34,772,720	4,522,245	138,659	138,668	68,879
Personnel Services	1,346,200	1,022,769	500,000	267,881	-	-
Total Fund Expenditures	41,502,728	35,795,489	5,022,245	406,540	138,668	68,879
Interfund Transfers - Indirect Charges	1,184,039	900,037	500,000	267,881	-	-
Reserved For Future Expenditures	44,112,171	8,854,737	3,891,078	3,554,749	3,751,039	4,031,076
Total Fund Requirements	86,798,938	45,550,263	9,413,323	4,229,170	3,889,707	4,099,955

Property Plan

Property Info	
Name	Nelson Building
Asset Type	Industrial
Address	8411 N Denver Ave
Lot Size (sqft)	1.22 acres
Building Size (sqft)	19,100
No. Floors	1
No. Parking Spaces	24
RNumber(s)	R196219
Tax Lot Description	KENTON, BLOCK 6, LOT 7-15, LOT 16 EXC PT IN STS, LOT 17 EXC PT IN ST, LOT 18-27
Location Info	
TIF District	Interstate Corridor
Neighborhood / Business District	Kenton / Kenton
NMTC Census Program / Tract	Not Eligible / 41051003801
Zoning	CM2-Central Mixed Use 2
Zoning Overlays	d-Design, m-Centers Main Street

Base FAR / Base Height Limit	2.5:1 / 45'
Opportunity Zone	Zone 3
Historic Status Designation	Non-Contributing
Plans & Objectives	
Advance Portland Objective	N/A
District Action Plan	N/A
Action Plan Category	Non-Strategic
Equity Assessment Complete?	Yes
Applicable Equity Programs	None
Business Plan	
Acquisition Date	Acquired June 30, 2011 from Nelson Investment Company to help realize community goals of a vibrant business district by leveraging the substantial size and location (Resolution 6872-May 11, 2011)
Acquisition Price	\$1,575,089.16
Investment Category	Income Generating
Business Objective	Disposition

Management Interim Use(s) / Date	Managed by CRMG N/A
Financial Info	
Accounting Code	A00335
TIF Budget	TIF Budget
NOI Budget (FY 25/26)	\$60,013.00
Stabilized NOI Target (\$) 5- Year	\$203,516.00
RMV / Assessor / Exemptions	\$1,789,380 / \$740,920 / \$2,482,570
Most Recent Appraisal / Date	ESA Phase I: January 2011; ESA Phase II: March 2011; Hazardous Building: February 2011; Residual pockets of PCS on Willis and Argyle; Cleanup part of 2013 & 2018 Tenant Improvements (GASB 49)