

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7027

AUTHORIZING THE THIRD AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH VANPORT PARTNERS, LLC, ALLOWING CONDOMINIUM OWNERS AT VANPORT SQUARE TO LEASE MORE THAN 50 PERCENT OF THEIR UNIT'S SPACE

WHEREAS, the Oregon Convention Center Urban Renewal Plan, adopted by the Portland City Council in May 1989, and as amended, provides tax increment funding and authority to support the accomplishment of community goals in Northeast Portland, including the revitalization of NE Martin Luther King, Jr. Blvd.;

WHEREAS, On June 8, 2011, the Portland Development Commission ("PDC") Board of Commissioners ("Board") approved Resolution No. 6882, the Twentieth Amendment to the Oregon Convention Center Urban Renewal Plan and Resolution 6883, the Amended and Restated Instate Corridor Urban Renewal Plan that authorized the transfer of NE Martin Luther King, Jr. Blvd from the Oregon Convention Center Urban Renewal Area to the Interstate Corridor Urban Renewal Area;

WHEREAS, On March 8, 2006 the PDC Board approved a Disposition and Development Agreement ("DDA") with Vanport Partners, LLC, for the redevelopment of the former Marco Machine Works into a 36,000 square foot commercial condominium, which Disposition and Development Agreement was subsequently amended on September 22, 2006, and November 8, 2007;

WHEREAS, the Vanport Square Project has been successful, resulting in the occupancy of 100 percent of the commercial condominiums to targeted buyers, and has supported PDC goals of wealth creation and revitalization of NE Martin Luther King, Jr. Blvd.;

WHEREAS, the real estate market and New Market Tax Credit structure of project financing have resulted in unintended limitations on the ability of some commercial condominium owners to respond to business circumstances, particularly limitations on resale and leasing of units;

WHEREAS, the proposed Third Amendment to the DDA, a copy of which is attached hereto as Exhibit A, provides condominium owners with greater flexibility by permitting increased leasing of their Premises under certain circumstances, and

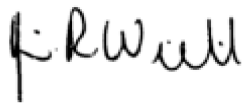
WHEREAS, the proposed Third Amendment also requires that commercial condominium owners who obtain PDC approval for increased leasing of units shall share a designated portion of certain surplus revenues with PDC.

NOW, THEREFORE, BE IT RESOLVED, that the PDC Executive Director is authorized to execute the Third Amendment to the DDA;

BE IT FURTHER RESOLVED, that the Executive Director may approve changes to the Third Amendment if such changes do not materially increase PDC's obligations or risks, as determined by the Executive Director in consultation with PDC's General Counsel or otherwise materially change the terms of the DDA; and

BE IT FURTHER RESOLVED, that this resolution shall become effective 30 days after its adoption.

Adopted by Portland Development Commission on October 8, 2013



Gina Wiedrick, Recording Secretary

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Portland, Oregon

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DEVELOPMENT AGREEMENT WITH VANPORT PARTNERS, LLC,
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MORE THAN 50 PERCENT OF THEIR UNIT'S SPACE**

Exhibit A includes this cover page and contains four pages:

- Amendment Number Three to Agreement for Disposition and Redevelopment of Property

AFTER RECORDING RETURN TO:
Portland Development Commission
222 NW Fifth Ave.
Portland, OR 97209
Attn: B. Kerosky

AMENDMENT NUMBER THREE
to
AGREEMENT FOR DISPOSITION AND REDEVELOPMENT OF PROPERTY
between
THE CITY OF PORTLAND, OREGON, acting by and through the
PORTLAND DEVELOPMENT COMMISSION
and
VANPORT PARTNERS, LLC, an Oregon limited liability company
Dated April 14, 2006

In consideration of the mutual benefits to be realized by the parties to this Amendment Number Three, the **City of Portland**, a municipal corporation of the State of Oregon, acting by and through the **Portland Development Commission**, the duly designated urban renewal agency of the City of Portland (“PDC”), and **Vanport Partners, LLC**, an Oregon limited liability company (“Developer”), hereby amend that certain Agreement for Disposition and Redevelopment of Property entered into on April 14, 2006 (the “Agreement”), as set forth below. This Amendment has been approved by PDC’s Board of Commissioners.

1. Section 5.10 of the Agreement is hereby amended to read:

Agreement of Developer to Record Restrictive Transfer Covenants Against Property.

Prior to closing on the conveyance of Developer’s interest in any Condominium Unit, Developer covenants to cooperate in recording against the Property and each Condominium Unit a covenant which shall run with the land and which shall not be subordinated to Mortgagee(s) for the Project, to implement the following covenant and condition:

Restriction on Transfer by Condominium Unit Owners (other than Developer). While the Real Estate Loan remains outstanding and unpaid, each Condominium Unit Owner (and its successors) shall not transfer, by either (a) sale of any Condominium Unit, or (b) otherwise, unless and until PDC has approved each prospective purchaser of a Condominium Unit based on the criteria set forth in Section 5.9 of this Agreement. Notwithstanding the above, PDC shall retain the right during the Real Estate Loan 10-Year Period to approve, for matters which involve compliance with NMTC regulations and other applicable law and conformance with public objectives, transfers by lease of up to 100% of any Condominium Unit, provided that if PDC approves the leasing of more than 50% of any Unit, the Unit owner shall pay to PDC an amount which represents one-half of a designated return (after debt service) allocable to the portion of the Unit leased in excess of 50%, as determined by a formula designated by PDC.

This Amendment Number Three is effective as of the date of the last signature hereto.

Except as set forth in this Amendment Number Three, all terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, PDC and Developer have each caused this Amendment Number Three to be duly executed on its behalf as of the day and year indicated.

CITY OF PORTLAND, a municipal corporation in the State of Oregon, acting by and through the **PORTLAND DEVELOPMENT COMMISSION**, as the duly designated urban renewal agency of the City of Portland

By: _____

By: Patrick Quinton
Its: Executive Director

Date: _____, 2013

VANPORT PARTNERS, LLC, an Oregon limited liability company

By: _____

By: _____
Its: Managing Member

Date: _____, 2013

By: _____

By: _____
Its: Managing Member

Date: _____, 2013

APPROVED AS TO FORM:

PDC Legal Counsel

[Acknowledgments on next page.]

State of OREGON

County of MULTNOMAH

This record was acknowledged before me on _____, 2013 by Patrick Quinton as Executive Director of the PORTLAND DEVELOPMENT COMMISSION, the duly designated urban renewal agency of the City of Portland.

Notary Public – State of Oregon

State of OREGON

County of MULTNOMAH

This record was acknowledged before me on _____, 2013 by _____ as a Managing Member of Vanport Partners, LLC, a Delaware limited liability company.

Notary Public – State of Oregon

State of OREGON

County of MULTNOMAH

This record was acknowledged before me on _____, 2013 by _____ as a Managing Member of Vanport Partners, LLC, a Delaware limited liability company.

Notary Public – State of Oregon

RESOLUTION NO. 7027

RESOLUTION TITLE:

AUTHORIZING THE THIRD AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH VANPORT PARTNERS, LLC, ALLOWING CONDOMINIUM OWNERS AT VANPORT SQUARE TO LEASE MORE THAN 50 PERCENT OF THEIR UNIT'S SPACE


Adopted by the Portland Development Commission on October 8, 2013

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Scott Andrews	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Aneshka Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Steven Straus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Charles Wilhoite	<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 Portland Development Commission and as duly recorded in the official minutes of the meeting.

	<p>Date:</p> <p>October 9, 2013</p>
<p>Gina Wiedrick, Recording Secretary</p>	