

**PORTLAND DEVELOPMENT COMMISSION**

Portland, Oregon

**RESOLUTION NO. 7044**

**APPROVING A LEASE AGREEMENT FOR PORTLAND DEVELOPMENT  
COMMISSION-OWNED PROPERTY AT 7238 SE FOSTER ROAD IN THE  
LENTS TOWN CENTER URBAN RENEWAL AREA**

**WHEREAS**, on April 13, 2011, the Portland Development Commission (“PDC”) Board of Commissioners (“Board”) through Resolution No. 6864 authorized purchasing the property located at 7238 SE Foster Road, commonly known as Metro Auto Wholesale East Lot & Building (“Property”), in the Lents Town Center Urban Renewal Area;

**WHEREAS**, the Property has structures which are in disrepair and have been vacant since 2009;

**WHEREAS**, in April 2012, PDC entered into discussions with Hacienda concerning the potential development of the Property as a Latino-themed market with fresh foods and culturally-specific foods for the greater Portland metropolitan area (“Mercado”);

**WHEREAS**, in 2012, PDC provided Hacienda Community Development Corporation (“Hacienda”) a Development Opportunity Services grant to explore the feasibility of a Mercado concept and the study concluded that such a concept was economically feasible;

**WHEREAS**, Hacienda has further refined the Mercado concept, and has secured more than \$1,300,000 in federal and private grants to partially fund the construction and operation of the Mercado;

**WHEREAS**, pursuant to general grant and loan authority previously granted by the Board, the Executive Director intends to provide up to \$1,101,959 in loan and grants to Hacienda, which funds, when combined with the grants described above, will provide full funding for the construction of a Mercado on the Property;

**WHEREAS**, the Board believes that the Mercado project will provide substantial benefit to the City of Portland generally, and the Lents Town Center Urban Renewal Area in particular; and

**WHEREAS**, the PDC desires to lease the Property to the Portland Mercado, LLC, an entity affiliated with Hacienda, for the purpose of constructing and operating a Mercado, and to further authorize the Executive Director to grant rights-of-ways or easements as may be necessary or desirable to obtain necessary permits, both of which require Board approval.

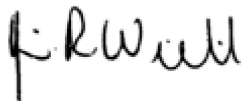
**NOW, THEREFORE, BE IT RESOLVED**, that the Executive Director is hereby authorized to execute a lease agreement (“Agreement”) with Portland Mercado, LLC, for the property located at 7238 SE Foster Road, substantially in the terms attached hereto as Exhibit A;

**BE IT FURTHER RESOLVED**, that the Executive Director is authorized to grant one or more rights-of-ways or easements as may be necessary or desirable to obtain permits to construct a Mercado on the Property;

**BE IT FURTHER RESOLVED**, that the Executive Director may approve changes to the Agreement 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; and

**BE IT FURTHER RESOLVED**, that this resolution shall become effective immediately upon its adoption.

**Adopted by Portland Development Commission on March 12, 2014**



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Gina Wiedrick, Recording Secretary

### Lease Agreement Terms Sheet

Property: Metro Auto Wholesale East Lot & Building (to be named the Portland Mercado Building)  
7238 SE Foster Road  
Portland, Oregon, 97206

Owner/Landlord: Portland Development Commission  
222 NW 5<sup>th</sup> Ave  
Portland, Oregon 97209

Tenant: Portland Mercado, LLC, a Domestic limited Liability Company  
5136 NE 42<sup>nd</sup> Avenue  
Portland, OR 97218

Premises: Approximately 6,776 rentable square feet of structure located on a 39,005 square foot improved parcel

Use: Premises will be used and occupied for the operation of an International Marketplace / Small Business Incubator including the permitting of spaces to individual food vendors and small business operators.

Term: Five (5) years plus one (1) five (5) year option to extend.

Possession Date: Immediately upon Tenant obtaining financing, permits, and licenses.

Base Rent: Years 1 through 5 \$1.00/year  
Years 6 through 10 To be negotiated

Additional Charges: Tenant shall pay all operating expenses associated with the property including property maintenance, property insurance, and real and personal property taxes.

Security Deposit: Tenant shall pay to Landlord upon the execution of a Lease a security deposit of \$1,500

Landlord's Work: None

Equity Goals: Pursuant to PDC's adopted Equity Policy & Procedures, Tenant's contractor will comply with PDC's requirements for participation of minority-owned, women-owned, and emerging small businesses and shall make good faith efforts to utilize apprentices and women, minorities, and disadvantaged individuals in the construction workforce for the renovation, as provided by the Business Equity Program requirements.

Prevailing Wage: Based upon a determination from the Bureau of Labor and Industry the Project may be considered a "public work" subject to Oregon's Prevailing Wage Law (Oregon Revised Statutes 279C.800 to 279C.870 and the administrative rules adopted thereunder).

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**RESOLUTION TITLE:**

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Adopted by the Portland Development Commission on March 12, 2014

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 Tom Kelly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner John Mohlis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Charles Wilhoite	<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 Portland Development Commission and as duly recorded in the official minutes of the meeting.*

	<b>Date:</b>  March 13, 2014
<b>Gina Wiedrick, Recording Secretary</b>	