

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7070

AUTHORIZING A PURCHASE AND SALE AGREEMENT TO CONVEY 0.25 ACRES OF REAL PROPERTY IN THE RIVER DISTRICT URBAN RENEWAL AREA TO GROVE HOTEL PARTNERS LLC FOR \$630,000

WHEREAS, the Portland Development Commission (“PDC”) is undertaking the River District Urban Renewal Plan, adopted September 25, 1998, and subsequently amended (the “Plan”);

WHEREAS, PDC is the owner of a 0.25 acre parcel which includes a 27,570 square foot building known as the Grove Hotel located in the River District Urban Renewal Area on West Burnside Street between NW Fourth and NW Fifth avenues (the “Property”);

WHEREAS, PDC acquired the Property in April 2010 to assist the Housing Authority of Portland (now Home Forward) to accomplish uninterrupted service delivery to at-risk and homeless individuals as well as for its long-term redevelopment potential;

WHEREAS, renovation of the Property is identified as a key action in the Old Town/Chinatown Five-Year Action Plan, prepared by PDC in partnership with community stakeholders to advance economic development and revitalization in Old Town/Chinatown, and adopted by Portland City Council on August 6, 2014;

WHEREAS, PDC issued a Request for Proposals (“RFP”) on February 5, 2014, seeking proposals from qualified development teams to purchase and redevelop the Property;

WHEREAS, an Evaluation Team reviewed the 11 proposals submitted according to the criteria described in the RFP and recommended to the PDC Executive Director the selection of the Eagle Point Hotel Partners and Naito Development team (“Developer”);

WHEREAS, the PDC Executive Director approved the selection of the Developer and PDC and Developer entered into a Memorandum of Understanding on June 15, 2014 which, set forth the mutual understandings and intentions to complete a series of due diligence scope items while negotiating the terms of a binding Purchase and Sale Agreement (“PSA”); and

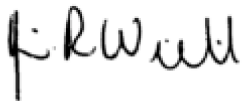
WHEREAS, PDC and Developer have commenced negotiations of a PSA, the intended terms and conditions of which are reflected in Exhibit A, to convey the Property to Grove Hotel Partners LLC, an entity formed by Developer, for a purchase price of SIX HUNDRED AND THIRTY THOUSAND DOLLARS (\$630,000).

NOW, THEREFORE, BE IT RESOLVED, that the PDC Board of Commissioners authorizes the Executive Director to execute a PSA, in substantial accord with the terms and conditions reflected in Exhibit A;

BE IT FURTHER RESOLVED, that the Executive Director may approve changes to the PSA, 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 August 13, 2014



Gina Wiedrick, Recording Secretary

Purchase and Sale Agreement Terms

Property:	401-439 West Burnside Street and 11 NW 4th Avenue Portland, Oregon 97209 (Grove Hotel Property)
Parcel Size:	11,000 square feet
Buyer:	Grove Hotel Partners LLC
Purchase Price:	\$630,000 in cash at Closing (less earnest money payment)
Earnest Money Payment:	10 percent of purchase price due at end of Due Diligence Period
Due Diligence Period:	60 days
Closing:	Within 60 days of end of Due Diligence Period.
Conditions Precedent to Closing:	None
Development Obligations:	Commence construction within two years to develop lifestyle hotel with approximately 52 rooms and 107 bed capacity; activate ground floor with retail uses Buyer may not change the use without prior written PDC consent
PDC Equity Policy:	Buyer shall comply with PDC Equity Policy
PDC Green Building Policy:	Buyer shall comply with PDC Green Building Policy
Environmental:	Buyer responsible for compliance with all Environmental Laws
Repurchase Right:	PDC has a right to repurchase the Property for the original Purchase Price if Buyer does not commence construction within 24 months of Closing

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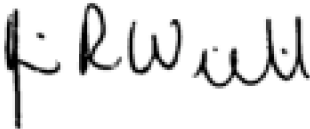
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PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Tom Kelly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Aneshka 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 checked="" type="checkbox"/>	Commissioner Charles Wilhoite	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>		<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>August 13, 2014</p>
<p>Gina Wiedrick, Recording Secretary</p>	