

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7223

AUTHORIZING A PURCHASE AND SALE AGREEMENT TO CONVEY A CONDOMINIUM INTEREST IN THE CONVENTION CENTER HOTEL PARKING GARAGE CONSISTING OF APPROXIMATELY 19,000 SQUARE FEET AND 47 PARKING SPACES IN THE OREGON CONVENTION CENTER URBAN RENEWAL AREA TO TRIMET FOR \$9,000,000

WHEREAS, the Portland Development Commission (“PDC”) is the owner of a 0.88-acre parcel, known as Block 49, which is located at the northeast corner of NE 1st Avenue and NE Holladay Street (the “Block 49 Property”);

WHEREAS, the PDC Board of Commissioners (“Board”) through Resolution No. 4178 acquired the Block 49 Property in 1991 for the express purpose of assisting with developing a convention headquarters hotel site;

WHEREAS, in 2006, the PDC Board through Resolution No. 6355 adopted a Development Vision for the Oregon Convention Center Blocks, which includes the Block 49 Property;

WHEREAS, Mortenson Development (“Mortenson”), intends to construct a 600-room Convention Center Hotel (“Hotel”) on the site to the east of the Block 49 Property in accordance with the terms of a Development and Financing Agreement with Metro;

WHEREAS, in 2016, the PDC Board through Resolution No. 7165 authorized the terms for PDC to enter into a Development Agreement with Mortenson Development for the Design and Construction of the Convention Center Hotel Parking Garage (“Garage”) which will be owned by PDC and will support the development and operation of the Hotel;

WHEREAS, the Tri-County Metropolitan Transportation District of Oregon (“TriMet”) proposed to purchase a condominium interest in the Garage consisting of approximately 19,000 square feet and 47 secured parking spaces (the “TriMet Condominium”) for a transit police precinct; and

WHEREAS, PDC and TriMet have negotiated a Purchase and Sale Agreement (PSA) substantially in the form attached hereto as Exhibit A (the “PSA”) to convey the TriMet Condominium for a purchase price of NINE MILLION DOLLARS (\$9,000,000).

NOW, THEREFORE, BE IT RESOLVED, that the PDC Board of Commissioners authorizes the Executive Director to execute the 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 terms and conditions, 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 the Portland Development Commission on December 14, 2016



Pam Micek, Recording Secretary

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RESOLUTION TITLE:

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Adopted by the Portland Development Commission on December 14, 2016

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 Mark Edlen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Alisha Moreland-Capuia MD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner William Myers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Gustavo J. Cruz, Jr.	<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.

	Date: December 20, 2016
Pam Micek, Recording Secretary	

Exhibit A – Purchase and Sale Agreement Terms

Property:	Condominium interest consisting of approximately 19,000 square feet of commercial space and 47 parking spaces (TriMet Unit) in Block 49 Garage located at NE Corner of NE 1 st Avenue and NE Holladay Street, Portland, OR 97232
Buyer:	Tri-County Metropolitan Transportation District of Oregon (TriMet)
Purchase Price:	\$9,000,000 in cash at Initial Closing (less earnest money payments).
Costs Associated with Changes in Scope:	TriMet to pay costs associated with TriMet directed changes to the plans and specifications which increase the cost of the Garage. PDC to pay costs associated with PDC directed changes to the plans and specifications which increase the cost of the Garage. Cost increases due to unforeseen circumstances will be split between TriMet and PDC in a mutually agreeable manner.
Earnest Money Payment:	\$300,000 earnest money payment due within three (3) business days of execution of Purchase and Sale Agreement. Earnest Money Payment is applicable to the Purchase Price and refundable to Buyer if Buyer elects to not proceed with the transaction within the Due Diligence Period.
Due Diligence Period:	60 days
Initial Closing:	The later of July 3, 2017 or the date PDC all funding contingencies have been satisfied and PDC must fund the escrow account for construction of the Garage in accordance with the Parking Structure Development Agreement with Mortenson Development, to include full payment of Purchase Price
Final Closing:	October 31, 2019 including delivery of condominium unit and reconciliation of costs for change orders
Conditions Precedent to Initial Closing:	PDC to have entered into a Design Build Agreement with Mortenson Development for construction of the Block 49 Garage. Plans and specifications for Block 49 Garage approved by PDC,

and plans and specifications for TriMet Unit approved by
TriMet

PDC Equity Policy:

TriMet shall comply with TriMet’s Disadvantaged Business Enterprise (DBE) program in completion of tenant improvements.

PDC Green Building Policy:

TriMet shall design and construct tenant improvements to meet minimum LEED Silver standards as required by the PDC Green Building Policy but will not seek LEED Silver certification. In lieu of LEED Silver certification required by the Green Building Policy, TriMet will (1) include language in the Request for Proposals (RFP) to select the design team that directs the design team to target LEED Silver for new construction; (2) use the standard LEED checklist for tracking purposes and assure delivery of the goals by a LEED design professional; and (3) ensure contract document deliverables from the design team issued for construction include a LEED Silver equivalency summary report of targets met and how they were achieved. This report will be submitted to PDC for review.

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