

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7261

**AUTHORIZING A REINSTATED LEASE AND AN OPTION TO PURCHASE
AGREEMENT WITH TO VOZ WORKERS' RIGHTS EDUCATION PROJECT
FOR THE PROSPER PORTLAND-OWNED PROPERTY LOCATED AT 240 NE
MARTIN LUTHER KING, JR. BOULEVARD WITHIN THE CENTRAL
EASTSIDE URBAN RENEWAL AREA**

WHEREAS, In furtherance of the objectives of Oregon Revised Statutes, Chapter 457, and Chapter XV of the Charter of the City of Portland ("City"), Prosper Portland has undertaken a program for the development and redevelopment of blighted areas in the City and in connection therewith prepared and approved an Urban Renewal Plan for the Central Eastside Urban Renewal Area;

WHEREAS, Prosper Portland is the owner of real property located at 240 NE Martin Luther King, Jr., Boulevard, Portland, Oregon, 97232 (the "Property");

WHEREAS, Prosper Portland supports VOZ Workers' Rights Education Project ("VOZ") through, among other things, leasing the Property to VOZ for nominal consideration since 2008;

WHEREAS, VOZ's lease of the Property is currently a month-to-month tenancy and VOZ has requested, and Prosper Portland has consented to, reinstatement of VOZ's prior formal lease until July 31, 2023 (the "Lease Reinstatement"); and

WHEREAS, VOZ has requested, and Prosper Portland has agreed to grant to VOZ, an option to purchase the Property during the term of the Lease Reinstatement on the basis of the 2008 appraised value of the Property, provided that any future sale of the Property by VOZ, if purchased by VOZ, provides for recapture by Prosper Portland of the future proportionate value of the subsidy provided to VOZ through VOZ's option to purchase the Property at its 2008 valuation.

NOW, THEREFORE, BE IT RESOLVED, that that the Prosper Portland Board of Commissioners authorizes the Executive Director to develop and execute a Lease Reinstatement and an Option to Purchase Agreement with VOZ, in substantial accord with the term sheet attached hereto as Exhibit A;

BE IT FURTHER RESOLVED, that that the Executive Director may approve provisions and changes to the Lease Reinstatement and the Option to Purchase Agreement, to the extent such changes do not materially increase Prosper Portland's obligations or risks relative to the terms in Exhibit A hereto, as determined by the Executive Director in consultation with Prosper Portland's General Counsel; and

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

Adopted by the Prosper Portland Commission on February 14, 2018

A handwritten signature in black ink that reads "Pam Micek". The signature is written in a cursive, flowing style.

Pam Micek, Recording Secretary



PROSPER PORTLAND

Building an Equitable Economy

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RESOLUTION TITLE:

AUTHORIZING A REINSTATED LEASE AND AN OPTION TO PURCHASE AGREEMENT WITH TO VOZ WORKERS' RIGHTS EDUCATION PROJECT FOR THE PROSPER PORTLAND-OWNED PROPERTY LOCATED AT 240 NE MARTIN LUTHER KING, JR. BOULEVARD WITHIN THE CENTRAL EASTSIDE URBAN RENEWAL AREA

Adopted by the Prosper Portland Commission on February 14, 2018


PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Gustavo J. Cruz, Jr.	<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 Francesca Gambetti	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Peter Platt	<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"/>

Consent Agenda 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 Prosper Portland Commission and as duly recorded in the official minutes of the meeting.

	Date: February 15, 2018
Pam Micek, Recording Secretary	

TERM SHEET FOR
VOZ LEASE REINSTATEMENT AND OPTION TO PURCHASE 240 MLK LOT

1. Parties:

- 1.1. Lessor/Prospective Seller: Prosper Portland, assumed business name of Portland Development Commission, the duly authorized urban renewal agency of the City of Portland.
- 1.2. Lessee/Prospective Purchaser: VOZ Workers' Rights Education Project, an Oregon Non-profit Corporation ("VOZ").

2. Property: a 5,949 square foot paved surface parking lot located at 240 NE Martin Luther King Jr. Boulevard, Portland, Oregon 97232 and legally described as: EAST PORTLAND; EXC PT IN ST LOT I BLOCK 109; EXC PT IN ST-N 15' OF LOT 2, Multnomah County Property Tax ID Number RI50150, City of Portland, County of Multnomah, State of Oregon (the "Property")

3. Overview

- 3.1. Prosper Portland will continue to Lease the Property to VOZ for \$1 per year on a reinstated lease agreement with a term ending July 31, 2023.
- 3.2. Prosper Portland will enter into an Option to Purchase Agreement with VOZ whereby VOZ may, subject to a definitive Purchase and Sale Agreement to be developed in the event VOZ exercises the purchase option, purchase the Property for \$319,100, the 2008 (the year VOZ initially leased the Property) valuation of the Property (the "Purchase Price"). The current value of the Property, established by a Broker's Opinion of Value relative to the Property obtained by Prosper Portland as of 2/9/2018 is \$1,487,250 (the "Present Value").
- 3.3. The Option to Purchase Agreement with VOZ expires on July 31, 2023, coterminous with the reinstated lease.
- 3.4. If VOZ exercises its option to purchase the Property, Prosper Portland retains the right to repurchase the Property, at the Purchase Price, if VOZ does not develop the Property into a permanent operating facility for VOZ operations within 5 years of VOZ purchasing the Property.
- 3.5. If VOZ exercises its option to purchase the Property and subsequently intends to resell the Property, Prosper Portland shall receive from such sale an amount derived by a) subtracting the Purchase Price from the Present Value, then b) dividing the result by the Present Value, then c) multiplying the result by the gross resale amount of such VOZ resale of the Property, then d) subtracting the value of any capital improvements made to the Property by VOZ in the interim (i.e., $((\$1,487,250 - \$319,100) / \$1,487,250) \times [\text{gross resale price minus capital improvements}]$). This restriction in favor of Prosper Portland will lapse 25 years after the date of VOZ's purchase of the Property.
- 3.6. For a period of 25 years, VOZ shall not 1.) ground lease any portion of the Property, or 2.) lease or sub-lease any portion of the building constructed on the Property unless VOZ continues to itself use a substantial portion of the building for its own operations.