

**INTERGOVERNMENTAL AGREEMENT**  
**Between Prosper Portland**  
**and the**  
**City of Portland, Oregon**  
**for**  
**Downtown Waterfront TIF District Support**  
**City of Portland, Oregon**

This Intergovernmental Agreement (this “Agreement”), dated this \_\_\_\_\_ day of \_\_\_\_\_, 202\_, (“Effective Date”) is made and entered into by and between **Portland Parks & Recreation** (“Parks”) and **Prosper Portland**, the assumed business name of the Portland Development Commission, the redevelopment and urban renewal agency of the City of Portland (“City”), individually as a “Party” and collectively as the “Parties”.

**RECITALS**

1. Prosper Portland, as the duly-designated urban renewal agency of the City, is granted broad powers under ORS 457.170 for the planning and implementation of urban renewal projects.
2. The Prosper Portland Board of Commissioners authorized Prosper Portland to undertake the acquisition of 0.9 acre Portland city block 24 (“Block 24”) in the Downtown Waterfront urban renewal area and implement a mixed-use redevelopment on the property, which development may include an event and cultural space owned and operated by the Portland Classical Chinese Garden, an Oregon non-profit corporation, dba Lan Su Chinese Garden, privately-owned housing, and/or privately-owned commercial space (the “Project”) all of which Parks is not a party to.
3. Prosper Portland used \$8 million of resources in the Downtown Waterfront TIF District Fund to acquire Block 24 from the Northwest Natural Gas Company.
4. Prosper Portland desires an interim loan from the City to assist in this Project, in order to partially replenish the funds used to acquire Block 24, so that they can be deployed for the Project and other projects in the urban renewal area.
5. Parks has identified its System Development Charge (“SDC”) Fund as a viable source for an interim loan and would like to initiate a loan to Prosper Portland for a period not to exceed twenty-four (24) months.
6. Prosper Portland and Parks are entering into this agreement to establish terms of a \$4,000,000 loan from Parks SDC Fund 402001 to Prosper Portland’s Downtown Waterfront TIF District Fund.
7. Under the City financial policy, the Treasury Division within the Office of Management and Finance - Bureau of Revenue and Financial Services coordinates the City’s lending program.

Now therefore, in consideration of the mutual promises, conditions and covenants contained herein, the Parties hereby incorporate the above Recitals and agree as follows:

## AGREEMENT

### I. LOAN TO SUPPORT THE PROJECT

**A. Project Loan.** The Parks SDC Fund will loan Four Million Dollars (\$4,000,000) to Prosper Portland (the “Project Loan”) on the following terms:

1. The term of the Project Loan will be for twenty-four (24) months from the Effective Date of this IGA.
2. Prosper Portland may prepay the Project Loan at any time at 100% of principal plus accrued interest as of the date of prepayment.
3. Interest will accrue daily and at a rate equal the City’s Investment Fund Portfolio monthly average yield over the term of the Project Loan.
4. Prosper Portland will not be required to make payments during the term of the Project Loan. All accrued interest and principal will be due at the end of the term of the Project Loan (the “Repayment Requirements”).
5. Prosper Portland will annually include in its budget and financial plan for the Downtown Waterfront TIF District Fund funding to pay all Project Loan principal and interest due on the maturity date.
6. The Project Loan will be used by Prosper Portland only for the Project and other redevelopment projects in the Downtown Waterfront urban renewal area.
7. The Project Loan, or any portion thereof, will not be written off or forgiven.
8. The Project Loan shall not be assigned, assumed transferred, mortgaged, converted in any other way(s) modified beyond its original intent as stated within this IGA.

### B. Parks Responsibilities and Obligations

1. On or about the Effective Date, Parks, through the City, will transfer \$4,000,000 from the Parks SDC Fund 402001 to Prosper Portland’s Downtown Waterfront TIF District Fund.

### C. Prosper Portland Responsibility & Obligations

1. Prosper Portland will comply with the terms of the Project Loan set forth in Section 1.A. of this IGA.
2. All Project Loan proceeds will be used for Tax Increment Financing-eligible projects with the Downtown Waterfront urban renewal area.
3. Upon request, Prosper Portland will provide a written report to Parks on Project progress and evidence of inclusion in the Downtown Waterfront TIF District Fund budget of sufficient funds to meet the Repayment Requirements.
4. Repayment of Project Loan
  - a) Prosper Portland will take all budgetary actions needed to ensure payment of the Project Loan to Parks upon maturity.
  - b) If Prosper Portland fails to timely make funds available to the Parks SDC Fund to pay the Project Loan Repayment Requirements when due, the City will: (1) make the

payment to the Parks SDC Fund from legally available City funds, and (2) withhold any General Fund appropriations to Prosper Portland in an amount equal to the Repayment Requirements plus additional amounts of lost interest earnings if invested at the City's daily pooled investment rate as determined by the City Treasurer, plus an additional 100 basis points (1.00%).

## II. GENERAL

### A. IGA Managers.

1. Parks' Bureau Director, or a designee, will be the Park's IGA Manager. Executive Director Kimberly Branam, or a designee, will be the Prosper Portland IGA Manager. The Prosper Portland Budget Officer or a designee will be the Prosper Portland project manager for day to day tasks related to this Agreement. The Project Loan will be monitored by the City's Treasury and Debt Management Divisions.
2. If either IGA Manager or their designee is not performing or is not able to continue performing the responsibilities designated in this Agreement, then the respective Party will designate a replacement IGA Manager or a designee.
3. IGA Managers or their designee will confer quarterly via Prosper Portland's project status updates as outlined in Section C.3. to review the status of repayment resources.

### B. Termination.

1. This Agreement will remain in effect until Prosper Portland has paid the Repayment Requirements to the Parks SDC Fund for the Project Loan, as well as any other amounts Prosper Portland is required to pay to the City under this Agreement.

### C. Conflict Resolution.

1. If a dispute arises regarding any terms and conditions of this Agreement, all Parties agree to exercise good faith in expeditiously resolving said conflict in the following manner.
  - a) All conflicts should first be discussed and resolved if possible by the IGA Managers or their designees.
  - b) If the conflict cannot be resolved by the IGA Managers or their designees, or involves one of the IGA Managers or their designee, then the conflict should be elevated to the Bureau Directors for discussion and resolution.

**D. Compliance with Laws.** In connection with its activities under this Agreement, the parties shall comply with all applicable federal, state and local laws and regulations.

**E. Indemnification.** Subject to the limits of the Oregon Tort Claims Act and Oregon Constitution, Prosper Portland agrees to indemnify, hold harmless and defend, the City and its directors, officers, employees and agents from and against all claims, suits, actions of whatsoever nature, damages or losses, and all expenses and costs incidental to the investigation and defense thereof including reasonable attorneys' fees, resulting from or arising out of the activities of Prosper Portland, its officers, employees or agents under this Agreement.

**F. Maintenance of Records.** Each Party shall maintain records on a current basis in accordance with State public records retention laws and the retention schedules set forth by the City

Auditor. Each Party may inspect, audit and copy, on reasonable notice and from time to time, any records of the other Party related to projects and funding identified in this IGA.

**III. AMENDMENTS**

Except as otherwise provided for in this Agreement, Parks or Prosper Portland may amend this Agreement only in writing signed by the IGA signatories.

**IV. MERGER CLAUSE**

This Agreement contains the entire agreement between Parks and Prosper Portland. It supersedes all prior written or oral discussions or agreements concerning work to be performed by either Party.

IN WITNESS WHEREOF, Portland Parks & Recreation and Prosper Portland have executed this Agreement as of the Effective Date.

**PORTLAND PARKS & RECREATION**

**PROSPER PORTLAND**

\_\_\_\_\_  
Adena Long, Director

\_\_\_\_\_  
Kimberly Branan, Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

APPROVED AS TO FORM:

APPROVED AS TO FORM

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Legal Counsel

**EXHIBIT A TO THE INTERGOVERNMENTAL AGREEMENT  
Project Loan Term Sheet**

Borrower	Prosper Portland / Downtown Waterfront Urban Renewal Fund 320	
Lender	Parks / SDC Fund 402001	
Purpose	Acquisition of City Block 24 by Prosper Portland, (adjacent and north of Portland Classical Chinese Gardens), for mixed-use redevelopment and potential expansion of Lan Su Chinese Classical Chinese Gardens cultural programming.	
Principal Amount	\$4,000,000	
Interest Rate Basis	Interest will accrue daily. The Project Loan interest rate will be equal to the City’s Investment Portfolio monthly average yield. The Interfund Loan’s average daily balance pursuant to FIN. 2-18 will be used for the monthly interest calculation for the Project Loan.	
Interest Payments Frequency	Interest to be accrued and compounded monthly through Maturity Date. Interest paid on the Maturity Date.	
Maturity Date	January 2, 2023	
Repayment Schedule - Principal	Payment Date	Amount
	01/02/2023	\$4,000,000
Repayment Source	Revenues from the Prosper Portland Downtown Waterfront Urban Renewal Fund 320	
Prepayment	Loan may be prepaid in whole or in part at any time	

**Borrowing Fund**

By: \_\_\_\_\_  
Kimberly Branam, Executive Director  
Prosper Portland

Date: \_\_\_\_\_

**Acknowledged by:**  
Michelle Kirby, Chief Financial Officer

Date: \_\_\_\_\_

**Prepared by:** \_\_\_\_\_  
Brigid O’Callaghan, City Treasurer

Date: \_\_\_\_\_

**Lending Fund**

By: \_\_\_\_\_  
Adena Long, Director  
Portland parks & Recreation

Date: \_\_\_\_\_

**Approved by Council:**  
Date: \_\_\_\_\_

Ordinance No.: \_\_\_\_\_