

ORDINANCE No. 183490

* Subordinate the City of Portland's interest in real property located at 4206 and 4218 NE Martin Luther King Jr. Blvd. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. Miracles Club provides services to individuals and families dealing with drug and alcohol addiction issues in our community and many of the City's social service organizations refer individuals to Miracles Club.
2. On December 20, 2006, the City Council adopted Resolution 36470, which stated the City's intention to provide up to \$500,000 from the General Fund Contingency to Miracles Club for the purpose of purchasing and developing real property that will meet the long term needs of the organization.
3. Miracles Club identified real property located at 4206 and 4218 NE Martin Luther King Blvd and 4136 NE Grand as suitable to meet the long term needs of the organization.
4. Miracles Club identified Guardian Management LLC ("Guardian") as the developer for this project and formed a separate LLC to complete the project.
5. On May 16, 2007 the City Council passed Ordinance No. 180960, which granted the sum of \$50,000 to a new LLC formed by Miracles Club and Guardian, Miracles Club MLK LLC. Subsequently a grant agreement was signed between the City and Miracles Club MLK LLC. The \$50,000 granted by the City was placed into escrow to help purchase the property.
6. On June 6, 2007 the City Council passed Ordinance No. 181023 to complete the purchase, the City Council granted an additional \$450,000 to Miracles Club MLK LLC.
7. Upon the completion of the purchase of the real property by Miracles Club MLK LLC, the City took a lien interest in the property subordinate to the interests of Albina Community Bank, the property acquisition lender. Miracles Club MLK LLC has subsequently changed to a limited partnership, known as Miracles Club MLK Limited Partnership.
8. The Miracles Club development will include a new home for its alcohol and drug recovery programs and 40 units of drug and alcohol free housing, allowing Miracles to expand its services and impact many more individuals in need of service.

9. Miracles Club MLK Limited Partnership is anticipating a commitment by US Bank as the construction and permanent lender and has received a reservation of funding from the Portland Development Commission as secondary lender to facilitate the completion of the project.
10. To facilitate the completion of the development, the City is willing to subordinate its interest in the property to the US Bank and to the Portland Development Commission.

NOW, THEREFORE, the Council directs:

- a. The Commissioner of Public Affairs is authorized to execute any document necessary to subordinate the City's lien interest in the property to US Bank and to the Portland Development Commission, subject to approval as to form by the City Attorney's Office.

Section 2. The Council declares that an emergency exists because a delay in proceeding with this authorization will jeopardize the timely development of the Miracles Club property; therefore, this Ordinance is in full force and effect from and after its passage by Council.

Passed by the Council: JAN 27 2010

Commissioner Saltzman
Prepared by: S. Callahan
Date Prepared: January 7, 2010

LaVonne Griffin-Valade

Auditor of the City of Portland

By





Deputy

-131

Agenda No.
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Title

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INTRODUCED BY Commissioner/Auditor: Saltzman	CLERK USE: DATE FILED <u>JAN 22 2010</u>
COMMISSIONER APPROVAL	LaVonne Griffin-Valade Auditor of the City of Portland
Mayor—Finance and Administration - Adams	
Position 1/Utilities - Fritz	
Position 2/Works - Fish	By:  Deputy
Position 3/Affairs - Saltzman	
Position 4/Safety - Leonard	
BUREAU APPROVAL	ACTION TAKEN:
Bureau: Bureau Head:	
Prepared by: S. Callahan Date Prepared: January 7, 2010	
Financial Impact Statement Completed <input type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input checked="" type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date January 7, 2010	
City Attorney Approval 	

AGENDA
TIME CERTAIN <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)
CONSENT <input checked="" type="checkbox"/>
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	<input checked="" type="checkbox"/>	
2. Fish	2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman	<input checked="" type="checkbox"/>	
4. Leonard	4. Leonard	<input checked="" type="checkbox"/>	
Adams	Adams	<input checked="" type="checkbox"/>	