

ORDINANCE No. 184967

Remove the Reversionary Clause from the title to the real property located at 3534 SE Main Street owned and managed by the Southeast Uplift Neighborhood Program (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. Prior to 1990, the City leased the real property located at 3534 SE Main Street, in Portland, Oregon (the "Property") to Southeast Uplift Neighborhood Program Inc., ("SE Uplift"), a nonprofit corporation. Formed in 1968, SE Uplift has a lengthy history in providing the citizens and neighborhood associations of Southeast Portland with staff and organizational support to create communities that are livable, socially diverse, safe and vital.
2. Pursuant to Ordinance 163092, effective June 23, 1990, the City declared as surplus the Property and conveyed it to SE Uplift for a purchase price of \$1.00 (One dollar), through a bargain and sale deed and additionally loaned to SE Uplift approximately \$28,257 for undertaking certain building system repairs to the Property which the City as landlord would have had to undertake but for the loan.
3. The monetary value of the property in 1990 was estimated to be \$279,000 and the 2010 tax assessed value is currently \$1,119,880.
4. In order to provide assurances that community services would continue to be provided from this Southeast Portland location, the bargain and sale deed contained a reversionary clause which gave the City a potential and contingent future interest in the Property in the event SE Uplift dissolves as a non profit corporation, vacates or otherwise does not occupy the property or fails to pay off the loan.
5. For the last 21 years, SE Uplift has demonstrated its good real property stewardship by maintaining the Property and making repairs, including coordinating volunteer support in its endeavors. SE Uplift occupied the Property as its principal office and continued to benefit the neighborhood and community through service efforts that supported City programs and policies. Examples include conceiving and developing the first Solarized Portland project, since replicated across the city to great effect and now a respected project of the City of Portland. SE Uplift supports a multitude of city programs and activities within the twenty neighborhood associations (NAs) it serves - projects such as the 50's Bikeway plan, Sunday Parkways, multiple pedestrian safety endeavors, Sustainability Committees for neighborhood and business associations and the largest Neighborhood Small Grant program in the city. SE Uplift is working with the Portland Office of Emergency Management and the other Coalitions to develop an emergency mapping resource and risk tool, and just recently has been asked by the City to host a solar array on the building roof as part of a City of Portland pilot project exploring community partnerships utilizing the feed-through tariff program. The Property has played an important role in providing affordable meeting space to community groups, and office space for other non-profit organizations that work individually or in tandem to serve the needs of the public.

6. There is no present indication that SE Uplift will discontinue its corporation status in the foreseeable future.
7. As of October 2011 SE Uplift has paid the full balance of the loan and will be solely responsible for any and all cost associated with recording the deed. In the event that SE Uplift decides to sell the property, the City shall be provided the first right of refusal. As a condition of removing the Reversionary Clause SE Uplift further agrees to execute a Right of First Refusal agreement.
8. SE Uplift desires to continue its community services work at the Property and has no present or future desire to vacate or abandon this Southeast Portland location. The Property now faces the need for significant repairs and upgrades due to the age of the improvement. It is difficult for SE Uplift to obtain a loan with the reversionary clause.
9. The value and benefits that SE Uplift has provided to the City through its two decades of ownership and occupancy of the Property and the community support and services it has provided to community groups and citizens exceed the value that the City may hold in its uncertain future reversionary interest. It is expected that SE Uplift will continue with additional years of similar benefits to the City and intends to own and occupy the property for the foreseeable future.
10. The City does not have a need for, or an interest in, owning this Property. The City has received great value through the last two decades of SE Uplift's community services work. It is reasonably likely that the organization will continue to benefit the community.
11. In light of the demonstrated benefits, release of the reversionary clause through a quitclaim deed is reasonable and appropriate and SE Uplift would not be hindered in its attempt to secure loans for rehabilitation of the Property.

NOW THEREFORE, the Council directs:

- a. The Director of the Bureau of Internal Business Services, or designee, is authorized to execute a quitclaim deed, in substantially similar form as attached hereto as Exhibit A, upon approval as to form by the City Attorney.
- b. The Director of the Bureau of Internal Business Services, or designee, is authorized to execute the Right of First Refusal (RFF) in substantially similar form as attached hereto as Exhibit B, upon approval as to form by the City Attorney.

Passed by the Council NOV 02 2011

Commissioner Amanda Fritz
Tim Crail
October 10, 2011

LaVonne Griffin-Valade
Auditor of the City of Portland

By

Deputy

Agenda No.
ORDINANCE NO. 184967
Title

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<p>INTRODUCED BY Commissioner/Auditor: Amanda Fritz</p>	<p>CLERK USE: DATE FILED <u>OCT 20 2011</u></p>
<p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Adams</p> <p>Position 1/Utilities - Fritz <i>Amanda Fritz</i></p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Leonard</p>	<p>LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By: <i>[Signature]</i> Deputy</p>
<p>BUREAU APPROVAL</p> <p>Bureau: Commissioner Fritz Bureau Head:</p> <p>Prepared by: Tim Crail Date Prepared: 10/20/2011</p> <p>Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Council Meeting Date October 26, 2011</p> <p>City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter</p>	<p>ACTION TAKEN:</p> <p>OCT 26 2011 PASSED TO SECOND READING NOV 02 2011 9:30 A.M.</p>

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

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Leonard	4. Leonard	✓	
Adams	Adams	✓	