

ORDINANCE No. 185697

*Authorize the purchase of property at 604 NE 99th Ave. from Human Solutions Inc. for \$1, and authorize a ground lease with Glisan Commons Phase I Limited Partnership for portions of City-owned property at 9929-9999 NE Glisan St. to facilitate the redevelopment of all properties at the site as Glisan Commons (Ordinance)

The City of Portland ordains:

SECTION 1. The Council finds that:

1. The Portland Housing Bureau (PHB) through a request for proposals issued December 7, 2010, solicited for redevelopment of property it owns at 9929 NE Glisan St., 9999 NE Glisan St. and 618 NE 99th Ave. As a result of this solicitation, PHB selected a team made up of Human Solutions Inc. (HSI), Ride Connection and REACH to redevelop the property ("Development Team")
2. The Development Team proposed constructing approximately 120 affordable residential units and 16,000 square feet of commercial space in two phases. During the permitting process this was later modified to increase the total number of affordable residential units to 127.
3. HSI owns a house at 604 NE 99th Ave. adjacent to PHB's land. During the permitting process it was determined that to develop the entire site in the most expedient manner, all parcels, both those owned by PHB and the one owned by HSI, should be consolidated into a single lot to be owned by PHB. To facilitate the two phases of the development, it was further determined that each phase should be constructed on a portion of the entire site and that these individual portions would be leased separately to the developers of each phase.
4. On May 14, 2012 a City of Portland Hearings Officer heard the case for the master plan for the entire site. Approval of that master plan on June 7, 2012 allowed for the construction of the development in two phases, with Human Solutions and Ride Connection partnering to construct the first phase and REACH to construct the second phase. The first phase will contain 67 units of affordable rental housing, leased to occupants earning approximately 60% or less of area median family income (MFI). The first phase will also contain 16,000 square feet of office space to be used as the headquarters for Ride Connection. The second phase will contain 60 units of affordable housing leased to seniors earning 60% MFI or less.
5. The City's acquisition of the property currently owned by HSI at 604 NE 99th as shown in Exhibit A will, in combination with property the City already owns, create a contiguous holding of approximately 70,000 square feet (prior to dedications) as shown in Exhibit B.
6. To facilitate the first phase of property redevelopment by HSI and Ride Connection, it is necessary as a condition of financing for the City to enter into a ground lease

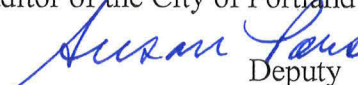
substantially in the form as shown in Exhibit C for the portion of the property shown in Exhibit B as "Phase 1" and for a period of no more than ninety-nine (99) years. When REACH, or another developer, is ready to construct the second phase of the project, PHB will negotiate a separate ground lease for the "Phase 2" portion of the property

NOW, THEREFORE, the Council directs:

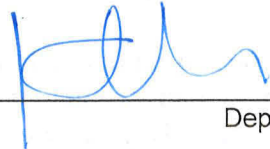

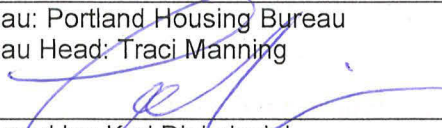

- a. The Director of PHB is authorized to acquire the property at 604 NE 99th Ave. from Human Solutions, Inc. substantially as shown in Exhibit A, and in accordance with the findings set forth above and upon approval as to form of the Project's documents by the City Attorney's Office.
- b. The Director of PHB is authorized to execute a ground lease substantially in the form as shown in Exhibit C with Glisan Commons Phase I Limited Partnership for the portion of the property substantially as shown in Exhibit B, and in accordance with the findings set forth above and upon approval as to form of the Project's documents by the City Attorney's Office.

SECTION 2. The Council declares that an emergency exists because a delay in the City's acquisition and execution of the ground lease would impair the ability of participants in the Glisan Commons project to adhere to the timeline required by other financing sources and would delay the creation of affordable rental homes and the creation of construction jobs; therefore, this ordinance shall be in full force and effective from and after its passage.

Passed by the Council: **OCT 24 2012**
Commissioner: Nick Fish
Prepared by: Karl Dinkelspiel
Date Prepared: September 12, 2012

LaVonne Griffin-Valade
Auditor of the City of Portland
By 
Deputy

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INTRODUCED BY Commissioner/Auditor: Nick Fish	CLERK USE: DATE FILED <u>OCT 19 2012</u>
COMMISSIONER APPROVAL	LaVonne Griffin-Valade Auditor of the City of Portland By:  Deputy
Mayor /Finance and Administration - Adams	
Position 1/Utilities - Fritz	
Position 2/Works - Fish 	
Position 3/Affairs - Saltzman	
Position 4/Safety - Leonard	
BUREAU APPROVAL	ACTION TAKEN:
Bureau: Portland Housing Bureau Bureau Head: Traci Manning 	
Prepared by: Karl Dinkelspiel Date Prepared: September 12, 2012	
Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input 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 October 24, 2012	
City Attorney Approval 	

AGENDA
TIME CERTAIN <input type="checkbox"/>
Start time: _____
Total amount of time needed: _____ (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input checked="" type="checkbox"/>
Total amount of time needed: 10 minutes (for presentation, testimony and discussion)

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