

ORDINANCE No. 187063

* Authorize sale of land at 815 NW Naito Parkway to Union Station B, LLC for approximately \$8.8 million to be credited to the affordable housing set aside budget in the Downtown Waterfront Urban Renewal Area (Ordinance)

The City of Portland ordains:

Section 1. The Council finds that:

1. The Portland Development Commission (“**PDC**”) acquired the Portland Union Station and surrounding land in 1995 and selected GSL Properties Inc. (“**GSL**”) to develop a mixed-income community, generally known as the “Yards at Union Station”, on approximately seven acres of this publically- owned land in order to further the affordable housing and urban development goals of the Downtown Waterfront Urban Renewal Area Plan.
2. In 1998, GSL and the Portland Development Commission (“**PDC**”) entered into an agreement for the development of this land, the “Amended and Restated Disposition and Development Agreement between the City of Portland Oregon, acting by and through the Portland Development Commission, and GSL Properties, Inc. for Subparcel “D” (the “**DDA**”).
3. Over a fifteen year period, from 1998 through 2013, the Yards at Union Station was developed as four distinct development projects with a combined total of 621 housing units, including 370 affordable units.
4. One of the projects, “Yards at Union Station B” (“**Yards B**”), was developed in 2003 by Union Station B, LLC, an Oregon Limited Liability Corporation, on a 2.5 acre portion of this PDC-owned land pursuant to the DDA and to an “Agreement for Lease and Option” between PDC and GSL (the “**Option**”).
5. The DDA and the Option anticipate that Union Station B, LLC would acquire the 2.43 acre parcel (“**Subparcel B-1**”) on which Yards B was built at a future date, along with an undivided interest in an abutting 1.4 acre parcel (“**Tract A**”) on which the access road and parking for the Yards at Union Station is located (together, the “**Property**”).
6. Yards B has 321 residential units with 61% of the units affordable to households at or below 60% of the area’s median household income through January 2027 under a recorded City Regulatory Agreement.
7. Portland City Council Ordinance No 183903, passed on June 16, 2010, authorized agreements between the City and PDC in support of the transition of housing functions to the Portland Housing Bureau (“**PHB**”) including the Amended and Restated Assignment and Assumption Agreement, entered into on March 1, 2011, that assigned most rights and responsibilities under the DDA to PHB.
8. PDC conveyed the Property to PHB on April 10, 2012.

9. Union Station B, LLC, an Oregon Limited Liability Corporation, intends to acquire the Property in accordance with the DDA and the Option.
10. The Option and the DDA address the payment due at conveyance of the Property including;
 - a. a fixed payment of \$2,407,500,
 - b. any amount due on the existing PHB loan #38114-99 (estimated to be approximately \$5,200,000 at time of closing), and
 - c. any amount due under the Option (estimated to be approximately \$1,200,000 at time of closing).
11. Approximately \$8,800,000 will be paid at conveyance and credited to the affordable housing set aside line item of the Downtown Waterfront Urban Renewal Area budget.
12. In addition to the payments due at conveyance, the DDA provides a number of conditions for conveyance including PHB's determination that all public easement/access issues have been resolved.
13. In consultation with the Portland Bureau of Transportation ("PBOT"), PHB reviewed existing documents and determined that additional documentation was needed to preserve the non-exclusive public right of access over the Property, and an "Access and Public Use Easement Agreement" (the "Easement") was prepared to support public access from NW Naito Parkway to the PDC-owned pedestrian bridge that crosses the tracks at Union Station.
14. All of the DDA's conditions required for conveyance will be satisfied with the acceptance of the Easement by PBOT and receipt of the payment described herein.
15. The PHB Housing Investment Committee recommended approval of the sale and acceptance of the Easement on March 20, 2015.

NOW, THEREFORE, the Council directs:

- a. PHB is authorized to transfer the City's interest in the Property to Union Station B, LLC upon execution of the Easement and receipt of the payments described herein.
- b. The Director of PHB is authorized to execute a deed to the Property in generally the form attached hereto (Exhibit A), and to execute other documents as may be required to convey the City's interest in land as authorized by this Ordinance, subject to the approval as to form of such documents by the City Attorney's Office.

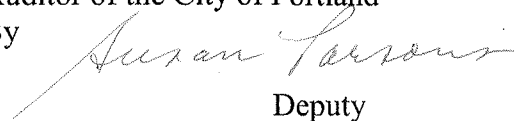
SECTION 2. The Council declares that an emergency exists because a delay in the City's action would impair the ability of GSL to obtain the bond financing required to make the payments required for conveyance under the March 31, 2015 timeline required by other financing sources, could affect the project's long term budget, and impact the availability of funds with which to pay the City: therefore, this Ordinance shall be in full force and effective from and after its passage.

Passed by the Council: MAR 25 2015

Commissioner Dan Saltzman
Prepared by: Barbara Shaw
Date Prepared: March 12, 2015

Mary Hull Caballero
Auditor of the City of Portland

By


Deputy

Agenda No.
ORDINANCE NO. 187063
Title

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<p align="center">INTRODUCED BY Commissioner/Auditor: Dan Saltzman</p>	<p>CLERK USE: DATE FILED <u>MAR 20 2015</u></p>
<p align="center">COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman <i>Dan Saltzman</i></p> <p>Position 4/Safety - Novick</p>	<p align="center">Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u><i>Mary Hull Caballero</i></u> Deputy</p>
<p align="center">BUREAU APPROVAL</p> <p>Bureau: Portland Housing Bureau Bureau Head: Traci Manning <i>Traci Manning</i></p> <p>Prepared by: Barbara Shaw Date Prepared: March 12, 2015</p>	<p>ACTION TAKEN:</p>
<p>Impact 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>City Auditor Office Approval: required for Code Ordinances</p>	
<p>City Attorney Approval: <i>GF</i></p>	
<p>Council Meeting Date March 25, 2014</p>	

<p align="center">AGENDA</p>
<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 type="checkbox"/></p>
<p>REGULAR <input checked="" type="checkbox"/></p> <p>Total amount of time needed: 5 min (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. Novick	4. Novick ✓	
Hales	Hales ✓	