

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON**

**RESOLUTION NO. 2015-018**

Approving the Donation of Certain Surplus Properties to Volunteers of America Oregon for the Purposes of Low-Income Housing and Authorizing the Chair to Execute all Necessary Documents.

**The Multnomah County Board of Commissioners Finds:**

- a. By Resolution No 2012-173 dated October 11, 2012, this Board approved the declaration that certain real property located at 722, 732 and 736 NE Couch Street, Portland, Oregon was surplus (the Properties); the Properties are more particularly described in Exhibit 1 to this Resolution.
- b. Resolution No. 2012-173 in addition directed the Department of County Human Services (DCHS) to offer the Properties for low income housing purposes through the Affordable Housing Development Program (AHDP).
- c. In November 2012, the AHDP implemented a request for proposals (RFP) which was advertised to a wide selection of eligible non-profits through e-mail, published notice and on the County website.
- d. After a competitive application process through the RFP, in March 2013 the AHDP selection committee recommended the Properties be awarded to Volunteers of American Oregon (VOA) for the purpose of low-income rental housing.
- e. VOA and County staff have been in negotiations around the transfer of the Properties. In September 2014 VOA submitted a service plan and budget to the AHDP program. AHDP staff reviewed the VOA service plan and budget and verified that the plan is consistent with the plan outlined in VOA's application and response to the RFP; and AHDP staff found the services budget to be reasonable as well.
- f. Under the VOA proposal, the Properties will be used for low-income shared group housing for County priority populations including homeless families, parents reuniting with children following incarceration, survivors of domestic violence and individuals and families in recovery from drug or alcohol addictions. Affordable and accessible rentals for these populations are much needed in the community.
- g. Under ORS 271.330(2), the County may donate real property to qualified, nonprofit corporations for the purpose of providing low income housing.
- h. VOA is a qualified nonprofit under ORS 271.330(2), and VOA has agreed to use the Properties for the purposes of low income housing after transfer under the terms and conditions of the attached "Low Income Housing Agreement" (Agreement), a copy of which is attached and identified as "Exhibit 2" to this Resolution.

- i. VOA has represented to the County, it is prepared to take possession of the Properties upon approval of the transfer by this Board; and the donation of the Properties as provided herein is in the best public interest.

**The Multnomah County Board of Commissioners Resolves:**

1. The transfer of the Properties to VOA for low income housing purposes in accordance with the terms and conditions of the Agreement is approved.
2. The Chair is authorized to execute all documentation necessary to complete said transfer, including the attached bargain and sale deed, a copy of which is attached identified as "Exhibit 3", and the Agreement in a form substantially in conformance with the terms and conditions set forth in Exhibit 2.
3. The County shall cause all appropriate documentation relating to the transfer to be recorded in the Multnomah County Deed Records.

ADOPTED this 12<sup>th</sup> day of March, 2015.

BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON



*Deborah Kafoury*

---

Deborah Kafoury, Chair

REVIEWED:  
JENNY M. MADKOUR, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By *Matthew O. Ryan*  
Matthew O. Ryan, Assistant County Attorney

SUBMITTED BY: Liesl Wendt, Director, Department of County Human Services.

**EXHIBIT 1 TO RESOLUTION**

**PARCEL I:**

The West 35 feet of Lot 7 and the West 40 feet of Lot 8, all in Block 156, EAST PORTLAND ADDITION, in the City of Portland, Multnomah County, Oregon

**PARCEL II:**

The West 30 feet of East 60 feet of Lot 8, Block 156, EAST PORTLAND ADDITION, in the City of Portland, Multnomah County, Oregon

**PARCEL III:**

The East 30 feet of Lot 8, Block 156, EAST PORTLAND ADDITION, in the City of Portland, Multnomah County, Oregon

## EXHIBIT 2 TO RESOLUTION

### LOW INCOME HOUSING DEVELOPMENT AGREEMENT

Dated: January \_\_\_, 2015

#### The Parties:

**VOLUNTEERS OF AMERICA OF OREGON, INC.**, an Oregon non-profit public benefit corporation, headquartered at 3910 SE Stark, Portland, OR 97214 ("VOA"); and **MULTNOMAH COUNTY, OREGON**, a Political Subdivision of the State of Oregon; located at 501 SE Hawthorne, Portland, Oregon 97214 ("County"); collectively referred to herein as the "Parties" agree to all terms and conditions contained in this agreement ("Agreement").

#### Recitals:

- A. As authorized under ORS 271.330, the County may elect to donate real property to qualified, non-profit corporations, for the purpose of low income housing. For purposes of this Agreement, "Low Income Housing" or "LIH" means using the real property for the purpose of providing low income rental unit(s) to persons or families with incomes adjusted for family size at or below 60% of the median income ("Eligible Individuals").
- B. VOA is an Oregon non-profit public benefit corporation and is qualified under ORS 271.330 to receive the donation of tax foreclosed property by the County for use as low income housing.
- C. VOA has requested and the County has agreed to the transfer by donation of certain real property "AS IS, WHERE IS"; located at 722, 732, and 736 NE Couch Street, Portland OR, and more particularly described in attached Exhibit A, hereinafter referred to as "the Property."
- D. The consideration for the donation of the Property is VOA's stipulation and commitment as evidenced by its duly authorized representative's signature below, to use the Property solely for low income rental housing purposes for a period of not less than sixty (60) years from the Transfer Date (defined below).
- E. The restrictions contained herein are intended to provide for the use of the Property as the primary residence of Eligible Individual(s) for a period of sixty (60) years from the Transfer Date. It is the policy of the County to ensure that safe, decent and affordable housing is made available to qualifying individuals at affordable prices throughout the entire term of this Agreement in order to ensure the long-term availability of affordable housing in Multnomah County, Oregon.
- F. Further, the Parties stipulate that County makes no warranties or representations with respect to the condition of the Property and that the transfer of the Property is "AS IS, WHERE IS".
- G. The Parties stipulate that any household goods, including but not limited to: kitchen utensils, appliances, furniture, television sets, hardware, safety equipment, or similar items; which remain at the Property on and after the Transfer Date (collectively referred to as "Existing Personal Property") are provided without warranty or representations of any kind as to the condition, safety, reliability or suitability of the Existing Personal Property for any use or purpose; and further that VOA has expressly requested and agreed the Existing Personal Property shall be provided to VOA as set forth in this Recital G.
- H. The Parties further stipulate that County will remove the County telephone system, County security system and County fire alarm system and related electronic equipment (collectively referred to as the "County Electronics System" ) prior to or on the Transfer Date and that the County Electronics System is not included and is not a part of the Property.
- I. The intent of this Agreement is to ensure that, for a period of sixty (60) years from the Transfer Date, the Property only be used for Low Income Housing purposes for rental to Eligible Individuals and that all of said Eligible Individuals occupy said housing units as their primary residence.
- J. The "Transfer Date" shall be the date on which the deed conveying the Property to VOA is recorded.

## **AGREEMENT:**

Therefore, in consideration of the promises and covenants set forth herein and of other valuable consideration, the receipt and sufficiency of which is acknowledged, VOA and the County agree as follows:

### **Section 1: Incorporation of Recitals.**

The foregoing recitals are incorporated into this Agreement by this reference.

### **Section 2: Representations and Warranties of VOA.**

VOA represents and warrants as follows:

2.1 Non-Profit. VOA is (i) a duly organized non-profit public benefit corporation under the laws of the State of Oregon, (ii) qualified to transact business in the State of Oregon, (iii) has the power and authority to own its properties and assets and to carry on its business as now being conducted, and (iv) has the full legal right, power, and authority to execute and deliver this Declaration.

2.2 No Violation of Law or Contract. The execution and performance of this Agreement by VOA (i) will not violate or, as applicable, has not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, (ii) will not violate or, as applicable, has not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which VOA is a party or by which it or the Property is bound, and (iii) will not result in the creation or imposition of any prohibited encumbrance of any nature.

2.3 Financial Status. There is no action, suit, or proceeding at law or in equity, or by or before any governmental instrumentality or other agency now pending, or to the knowledge of VOA, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted and as now contemplated by this Agreement or would materially adversely affect its financial condition.

2.4 Priority of this Agreement. Any lien or encumbrance placed against the Property by VOA shall be subject to and subordinate to this Agreement.

### **Section 3: Property Development and Use.**

3.1 Low Income Housing. The Property shall be used for low income housing purposes in accordance with this Agreement.

3.2 AS IS WHERE IS. VOA is acquiring the Property in "AS-IS, WHERE IS" condition, subject to the following:

3.2.1 The County disclaims the making of any representations or warranties, express or implied, regarding the Property or matters affecting the Property, including, without limitation, the physical condition of the Property, title to or boundaries of the Property, pest control matters, soil condition, hazardous waste, toxic substances or other environmental matters, compliance with building, health, safety, land use and zoning laws, regulations and orders, structural and other engineering characteristics, traffic patterns, and all other information pertaining to the Property.

3.2.2 VOA acknowledges that (i) VOA is a sophisticated investor, knowledgeable and experienced in the financial and business risks attendant to an investment in real property and capable of evaluating the merits and risks of entering into this Agreement and accepting title to the Property; (ii) VOA has entered into this Agreement with the intention of making and relying upon its own (or its experts') investigation of the physical, environmental, economic and legal condition of the Property, including, without limitation, the compliance of the Property with laws and governmental regulations; and (iii) VOA is not relying upon any representations and warranties made by the County or anyone acting or claiming to act on the County's behalf concerning the Property.

3.2.3 VOA further acknowledges that it has not received from the County any accounting, tax, legal, architectural, engineering, property management or other advice with respect to this transaction and is

relying upon the advice of its own accounting, tax, legal, architectural, engineering, property management and other advisors.

3.2.4 VOA accepts the Property in its "AS IS, WHERE IS" condition and assumes the risk that adverse physical, environmental, economic, or other legal conditions may not have been revealed by its investigations. It is the express intent of the parties to transfer to VOA, as between the County and VOA, any liability that may now or in the future exist under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") 42 U.S.C. § 9601 *et seq.*, the Resource Conservation and Recovery Act of 1976 ("RCRA") 42 U.S.C. § 6901 *et seq.*, the Oregon Superfund Law, ORS 465.000, the Oregon Hazardous Waste Law, ORS 466.000, or other Environmental Laws, for known or unknown environmental conditions on, under or relating to the Property.

3.2.5 For purposes of this Agreement, the term *Environmental Laws* means and includes all federal, state, regional and local statutes, ordinances, regulations, and rules presently in force or hereafter enacted relating to:

(i) Environmental quality, conditions or contamination; and/or the remediation and clean-up of: Hazardous Materials,

3.2.6 For the purposes of this Agreement, the term *Hazardous Material* means any hazardous or toxic substance, material, or waste that is or becomes regulated by any local or regional governmental authority, the state of Oregon, or the United States government. The term *Hazardous Material* includes, without limitation, any material or substance that is: (i) defined as a "hazardous waste," "extremely hazardous waste," "restricted hazardous waste," "hazardous substance," "hazardous material," or "waste" under any federal, state, regional or local law, (ii) petroleum, and (iii) asbestos.

3.3 Preliminary Refurbishment Period. VOA has requested and the County has agreed to an accommodation to VOA of a limited period of not to exceed six months after the Transfer Date, wherein VOA will finalize its refurbishment plans for the Property. This limited time period shall be referred to for purposes of this Agreement as the "Preliminary Refurbishment Period" or "PRP"

3.4 Occupancy. During the term of this Agreement, VOA, shall at all times operate the Property for LIH except during (a) the PRP and (b) such periods of time that necessary repair, renovation, demolition or reconstruction or similar activities or events shall make occupancy impractical; provided that the exception set forth in clause (b) shall be based on a reasonably diligent schedule for completion of such activities, and that any undue period of vacancy shall be deemed an Event of Default (defined below) hereunder if not cured after written notice from the County is given pursuant to Section 5.1.1 below.

3.5 Inspections and Documentation.

3.5.1. VOA shall permit the County, or any duly authorized representative of the County, during normal business hours and upon reasonable prior notice to inspect the Property.

3.5.2. VOA shall submit any other information, documents, or certifications requested by the County that the County in its reasonable discretion shall deem necessary or appropriate to substantiate VOA's continuing compliance with the provisions of this Agreement.

3.6 Maintenance. VOA shall maintain the Property in good repair, working order and condition, including without limitation maintaining the Property in compliance with any nuisance abatement standards which may apply to the Property. VOA will not commit any waste of the Property.

3.7 Damage or Destruction. If the Property or improvements on the Property are damaged or destroyed, VOA shall use its reasonable best efforts, subject to the rights of any mortgagee, to repair and restore improvements on the Property to substantially the same condition as existed prior to the event causing such damage or destruction, and specifically with respect to damage or takings in Condemnation as provided in Section 8; and thereafter to operate the Property in accordance with the terms of this Agreement.

3.8 Environmental Compliance.

3.8.1. VOA will not use, generate, store, release, discharge, or dispose of on, under, or about the Property or the groundwater thereof any Hazardous Material and will not permit any other person to do so, except for storage and use of Hazardous Material (and in such quantities) as may commonly be used for household purposes, as long as those substances are stored and used in compliance with all Environmental Laws. VOA will keep and maintain the Property in compliance with all Environmental Laws.

3.8.2 If any investigation, monitoring, containment, cleanup, or other remedial work of any kind is required on the Property under any applicable Environmental Law or by any governmental agency or person in connection with a release of a Hazardous Material, VOA will promptly complete all that work at VOA's expense.

3.8.3 All representations, warranties, and covenants in this Section 3.8 are to survive beyond the term of the Agreement.

3.9 Limitations of Use. VOA will not initiate or consent to any replatting, partitioning, or rezoning of the Property or any change in any covenant or other public or private restrictions limiting or defining the uses that may be made of the Property without the prior written consent of County, which shall not be unreasonably withheld, conditioned, or delayed.

3.10 Impositions. VOA will pay when due all taxes, assessments, fees, and other governmental and nongovernmental charges of every nature now or hereafter assessed against any part of the Property (the "Impositions"); however, if by law any such Imposition may be paid in installments, VOA may pay the same in installments, together with accrued interest on the unpaid balance thereof, as they become due. VOA will furnish to County promptly on request satisfactory evidence of the payment of all Impositions. County is hereby authorized to request and receive from the responsible governmental and nongovernmental personnel written statements with respect to the accrual and payment of all Impositions.

3.11 Liens. VOA will pay when due all claims for labor and materials that, if unpaid, might become a lien on the Property.

**Section 4: Recording and Filing; Covenants To Run With the Land.**

4.1 Recording and Filing. The County shall convey the Property to VOA by means of a bargain and sale deed. This Agreement shall be recorded and filed in the Deed Records of Multnomah County, Oregon immediately following the recording of the deed to the Property.

4.2 Covenants to Run With the Land. Beginning on the Transfer Date and continuing for the duration of the sixty (60) year term of this Agreement, the terms and conditions set forth in this Agreement regulating and restricting the use, occupancy and transfer of the Property (i) shall be and are covenants running with the Property, including all improvements on the Property, encumbering the Property for the term of this Agreement, binding upon VOA's successors in title and all subsequent owners; (ii) are not merely personal covenants of VOA and its successors and assigns; and (iii) shall bind VOA and its successors and assigns during the term of this Agreement with the benefits inuring to the County.

4.3 Compliance with Law. VOA agrees that any and all requirements of the laws of the State of Oregon to be satisfied in order for the provisions of this Agreement to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full. The promises and covenants contained herein shall survive and be effective regardless of whether such contract, deed, or other instrument hereafter executed conveying the Property, or a portion thereof, provides that such conveyance is subject to this Agreement.

**Section 5: Default.**

5.1 Default Defined. The following shall be considered an event of default ("Event of Default"):

5.1.1 VOA's failure to perform or comply with any term, covenant or condition of this Agreement within 30 days after written notice from the County to perform or satisfy the term, covenant or condition, or, if the performance or compliance cannot be completed within such 30-day period through the exercise of reasonable diligence, the failure to commence the required performance or compliance and carry out such performance or compliance with reasonable diligence to completion.

5.1.2 VOA's failure to comply with any requirement of any governmental authority having jurisdiction over the Property within 30 days after receipt of notice in writing of such requirement, or, if such compliance cannot be completed within such 30-day period through the exercise of reasonable diligence, the failure to commence the required performance or compliance and carry out such performance or compliance with reasonable diligence to completion.

5.1.3 Any representation or warranty by VOA contained herein shall prove to have been false or misleading in any material respect.

5.1.4 The occurrence of a default under any lien instrument secured by the Property or any agreement imposing restrictive covenants with respect to the Property which is not cured within any cure period provided in such lien instrument or agreement.

5.1.5 The filing by VOA of a petition for relief under the Federal Bankruptcy Code, or any other applicable federal or state law or regulation, or the consent by it to the filing of any such petition or the consent to the appointment of a receiver, liquidator, assignee, trustee, or other similar official, of VOA, or of any substantial part of its property, or the making by VOA of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due or the taking of corporate action by VOA in furtherance of any such action.

5.1.6 The commencement of an action against VOA seeking any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar relief under any applicable federal or state law or regulation, which action is not dismissed within 60 days after commencement, or the appointment without the consent or acquiescence of VOA of any trustee, receiver or liquidator of VOA, or of all or any substantial part of the properties of VOA, which appointment is not vacated within 60 days after such appointment.

## 5.2 Remedies for Events of Default.

5.2.1 Upon the occurrence of an Event of Default, the County may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation, or to recover monetary damages caused by such violation or attempted violation, such damages to include but not be limited to all costs, expenses including, but not limited to, staff and administrative expense, fees including, but not limited to, all reasonably attorneys' fees which may be incurred by the County in enforcing or attempting to enforce this Agreement following such Event of Default on the part of VOA or its successors, whether the same shall be enforced by suit or otherwise.

5.2.2 If the Event of Default is the failure by VOA to use the Property, in whole or in part, for the purpose of Low Income Housing as set forth herein, for a period of time exceeding 90 consecutive days (but excluding any days during the PRP or where such use is excused pursuant to Section 3.4(b) above or is not reasonably possible due to acts, events, or causes beyond the reasonable control of VOA), the County's remedies include the right of reversion of the title to the Property back to the County. Notwithstanding the immediately preceding sentence, there shall be no Event of Default, and the County shall have no right of reversion, if VOA's failure to use the Property for the purpose of Low Income Housing is the result of a casualty as described in Section 7.3 below or a Condemnation pursuant to Section 8 below.

## **Section 6: Term.**

The term of this Agreement commenced as of the date first set forth above and shall end at 11:59 p.m. on the date that is sixty (60) years after the Transfer Date.

**Section 7: Insurance.**

7.1 Property and Other Insurance. VOA will obtain and maintain during the term of this Agreement Special Form property insurance, in an amount not less than the amount of the full replacement cost of the Property, without reduction for coinsurance.

7.2 Insurance Companies and Policies. All insurance must (a) be written by a company or companies reasonably acceptable to County, and (b) require 10 days' prior written notice to County of cancellation or reduction in coverage. VOA will furnish to County on request a certificate evidencing the coverage required under this Agreement and a copy of each policy. VOA is responsible for notifying County of any changes in insurance coverage.

7.3 Casualty/Loss Restoration.

7.3.1 After the occurrence of any casualty to the Property, whether or not covered by insurance, VOA will give prompt written notice thereof to County. County may make proof of loss if VOA fails to do so promptly and to County's satisfaction.

7.3.2 All insurance proceeds with respect to the Property must be applied to the renovation, repair, restoration or reconstruction of the Property for the purpose of reinstating the authorized use of the Property. Provided, VOA shall have reasonable discretion to renovate or rebuild improvements differently than the existing structure on site in a manner in its professional judgment, best suited to accomplish viable, sustainable low income housing at the Property.

**Section 8: Condemnation.**

If the Property or any part of it is taken or damaged by reason of any public improvement, eminent domain, condemnation proceeding, or in any other manner (a "Condemnation"), or if VOA receives any notice or other information regarding such action, VOA will give immediate notice thereof to County. All compensation, awards, relocation assistance and other payments or relief therefore ("Condemnation Proceeds") up to the full amount of the value of the Property shall be applied first to the restoration of the Property and the intended use thereof as Low Income Housing; provided, that if the intended use of the Property is no longer reasonably capable as a direct result of the Condemnation, such Condemnation Proceeds shall be applied towards the purchase of suitable residential property to relocate the then occupants for the purpose to continue the provision of low income housing at such new residential property.

**Section 9: General Provisions.**

9.1 Severability. The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining provisions thereof.

9.2 Notices. All notices or other communications to be given pursuant to the Agreement, shall be in writing and shall be deemed given (a) when personally delivered to the office of the addressee or (b) three (3) business days after being mailed by certified or registered mail, return receipt requested, to the recipient at the address first set forth above, or to such other address as a party may from time to time designate by notice given as provided in this Section.

9.3 Governing Law. This Agreement shall be governed by the laws of the State of Oregon without regard to the conflict of law provisions.

9.4 Venue. Venue for any suit or action commenced to enforce or interpret this Agreement shall be in the Circuit Court of Multnomah County, Oregon.

9.5 Indemnity. VOA will, to the fullest extent allowed by law, hold County, its respective, officers, employees, agents, and lawyers harmless from and indemnify them for any and all claims, demands, damages, liabilities, and expenses, including but not limited to attorney fees and court costs, arising out of or in connection with VOA's breach of or default under this Agreement.

9.6 Time is of the Essence. Time is of the essence with respect to all covenants, terms and conditions of VOA under this Agreement.

9.7 Final Agreement. County and VOA agree that this Agreement states their entire agreement and declare that no promises, representations, or agreements other than those herein contained have been made or relied upon. Any changes or amendments hereto must be made in writing and signed by the County and VOA (or the then-owner of the Property); and any such amendments shall be recorded in the Multnomah County Deed Records.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date first set forth above.

**FOR VOLUNTEERS OF AMERICA, INC.:**

By \_\_\_\_\_  
Kay D. Toran, President/CEO  
Volunteers of America of Oregon, Inc.

**FOR MULTNOMAH COUNTY:  
BOARD OF COMMISSIONERS  
MULTNOMAH COUNTY, OREGON**

By \_\_\_\_\_  
Deborah Kafoury, Chair

Acknowledgments

STATE OF OREGON            )  
  )ss.  
County of Multnomah        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2015, by Kay D. Toran, as President/CEO of Volunteers of America of Oregon, Inc., an Oregon non-profit corporation, on behalf of its Board of Directors.

\_\_\_\_\_  
Notary Public for Oregon;  
My Commission expires:

STATE OF OREGON            )  
  )ss.  
County of Multnomah        )

This instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2015, by Deborah Kafoury, Chair, Board of Commissioners, Multnomah County, Oregon, on behalf of its Board of County Commissioners; and that the said instrument is the free act and deed of said County.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first in this, my certificate, written.

\_\_\_\_\_  
Marina A Baker  
Notary Public for Oregon;  
My Commission expires: 6/26/2018

REVIEWED:

JENNY M. MADKOUR, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By \_\_\_\_\_  
Matthew O. Ryan, Assistant County Attorney

**EXHIBIT A**

**PARCEL I:**

The West 35 feet of Lot 7 and the West 40 feet of Lot 8, all in Block 156, EAST PORTLAND ADDITION, in the City of Portland, Multnomah County, Oregon

**PARCEL II:**

The West 30 feet of East 60 feet of Lot 8, Block 156, EAST PORTLAND ADDITION, in the City of Portland, Multnomah County, Oregon

**PARCEL III:**

The East 30 feet of Lot 8, Block 156, EAST PORTLAND ADDITION, in the City of Portland, Multnomah County, Oregon

**EXHIBIT 3 TO RESOLUTION**

Until a change is requested, all tax statements shall be sent to the following address:

(Grantees) VOLUNTEERS OF AMERICA OF OREGON, INC  
3910 SE Stark  
Portland, OR 97214

After recording return to:  
(Grantor) MULTNOMAH COUNTY  
C/O MICHAEL SUBLETT  
401 N DIXON  
PORTLAND OR 97227

**Bargain & Sale Deed**

MULTNOMAH COUNTY, a political subdivision of the State of Oregon, **Grantor**, conveys to VOLUNTEERS OF AMERICA OF OREGON, INC., an Oregon non-profit corporation, **Grantee**; the following described real property: See attached Exhibit A.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

The true consideration for this conveyance is \$0, but consists of other consideration the receipt whereof is hereby acknowledged.

IN WITNESS WHEREOF, the Multnomah County Board of Commissioners by authority of a Resolution of the Board, entered on March 12, 2015, by Resolution No \_\_\_\_\_; has caused this deed to be executed by the Chair of the County Board.

Dated the \_\_\_\_ day of March, 2015.

BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

\_\_\_\_\_  
Deborah Kafoury, Chair

STATE OF OREGON                    )  
  ) ss  
COUNTY OF MULTNOMAH         )

This Deed was acknowledged before me this \_\_\_\_ day of March, 2015, by Deborah Kafoury, to me personally known, as Chair of the Multnomah County Board of Commissioners, on behalf of the County by authority of the Multnomah County Board of Commissioners.

\_\_\_\_\_  
Marina A Baker  
Notary Public for Oregon;  
My Commission expires: \_\_\_\_\_

REVIEWED:  
JENNY M. MADKOUR, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By \_\_\_\_\_  
Matthew O. Ryan, Assistant County Attorney

**Exhibit A**

**LEGAL DESCRIPTION:**

**PARCEL I:**

The West 35 feet of Lot 7 and the West 40 feet of Lot 8, all in Block 156, EAST PORTLAND ADDITION, in the City of Portland, Multnomah County, Oregon

**PARCEL II:**

The West 30 feet of East 60 feet of Lot 8, Block 156, EAST PORTLAND ADDITION, in the City of Portland, Multnomah County, Oregon

**PARCEL III:**

The East 30 feet of Lot 8, Block 156, EAST PORTLAND ADDITION, in the City of Portland, Multnomah County, Oregon

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON**

**RESOLUTION NO. 2015-019**

Accepting the Supplemental Surplus Property Report and Directing Issuance of a Request for Proposals for North Williams Center, Portland, Oregon.

**The Multnomah County Board of Commissioners Finds:**

- a. By Resolution 2013-029, dated March 21, 2013, the Board of County Commissioners approved the acquisition of North Williams Center, 2124-2156 N. Williams Avenue, Portland, Oregon ("Property"). The Property was fully conveyed on September 30, 2013.
- b. By Resolution 2013-059, the Board of County Commissioners approved a lease of the Property to Albertina Kerr Centers, Inc. ("Kerr"). This lease fully supports the provision of important services provided to developmentally disabled adult clients served by Kerr. The leasehold produces income which continues to protect the County's security interest in the Property. The lease, following Kerr's exercise of both 1-year extension options, is scheduled to terminate June 30, 2016.
- c. By Resolution No. 2013-060, dated May 16, 2013, the Board declared the Property surplus and authorized the County's Facilities and Property Management Division ("FPM") to commence the Surplus Property Process. By Resolution 2014-094, dated August 14, 2014, the Board accepted the Surplus Property Report and directed staff to develop disposition options for the Property. Specifically, FPM was directed to continue to solicit public input with an added emphasis on the suitability of the Property for affordable housing. The attached Supplemental Surplus Property Report ("Report") details public outreach and comment, which was generally supportive of the development of affordable housing in the area in general and on this site in particular.
- d. Because of the unique environmental constraints and asset characteristics of the Property, the public interest would be best served by FPM working with Commission Staff, County Attorney, and other identified stakeholders to expeditiously pursue the disposition of the Property through the development and issuance of a Request for Proposals ("RFP") for its acquisition and redevelopment as affordable housing. The RFP will be consistent with the recommendation in the attached Report, specifically in coordination with partner agencies including the State of Oregon Department of Environmental Quality and the City of Portland Housing Bureau. Further, it is in the public interest that the RFP be issued to accommodate the Kerr lease of the Property.

**The Multnomah County Board of Commissioners Resolves:**

1. To accept the attached Supplemental Surplus Property Report.
2. The Board directs FPM, in consultation with Chair and Commissioner Staff, to prepare and issue an RFP for disposition of the Property for affordable housing.

**ADOPTED this 12<sup>th</sup> day of March, 2015.**

BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON



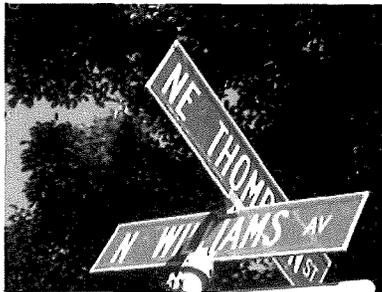
---

Deborah Kafoury, Chair

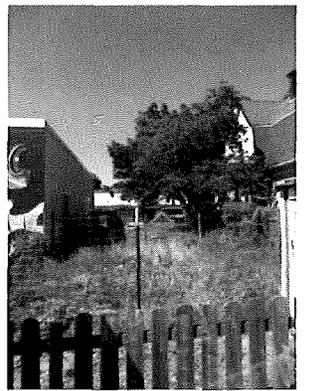
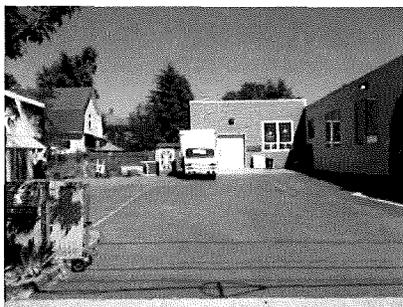
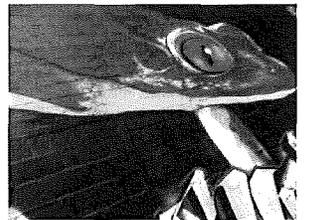
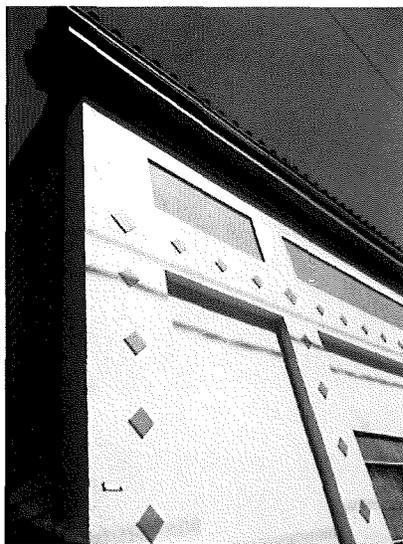
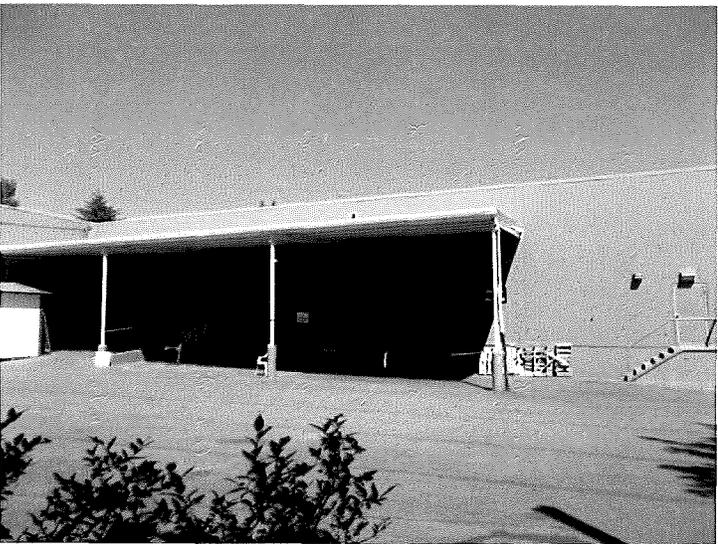
REVIEWED:  
JENNY M. MADKOUR, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By \_\_\_\_\_  
Kenneth M. Elliott, Assistant County Attorney

SUBMITTED BY: Sherry Swackhamer, Director, Department of County Assets.



**North Williams Center  
Portland, Oregon  
Supplemental Surplus  
Property Report  
March 2015**



## Contents

1. Surplus Process
  2. Portland Housing Bureau
  3. Public Outreach
  4. Due Diligence
  5. Recommendation
- Attachment 1: Public Comments

## 1. Surplus Process

North Williams Center, 2124-2146 North Williams Avenue, Portland, OR ("Property") was acquired by the County September 30, 2013. Located on a 50,000 square feet (1.15 acres) parcel are three buildings totaling approximately 17,000 square feet. By Resolution No. 2014-094, dated August 14, 2014, the Board of County Commissioners accepted the *Surplus Property Report-August 2014* submitted for North Williams Center. The Resolution further directed Facilities and Property Management Division (FPM) staff to work with Commission staff, County Attorney, and stakeholders to actively pursue the disposition of it in a timely manner. The Board expressed a desire for staff to continue to request public comment on the disposition of the Property, which has been solicited through the Multnomah County Surplus County Website. Finally, the Board asked that staff specifically seek comment and explore issues on the suitability of the Property for affordable housing. Staff was directed to continue to pursue this effort expeditiously in consideration of the Property's unique environmental characteristics and its asset value. Staff was directed to report back to the Board and those efforts and activities are documented in this *Supplemental Surplus Property Report-March 2015* ("Report").

**The Board of County Commissioners will receive this Supplemental Surplus Property Report, including additional Public Comment received during the extended Surplus Property Process, at the regularly scheduled Board Meeting on Thursday, March 12, 2015. The meeting will take place at the Multnomah Building, 501 SE Hawthorne, in Board Room 100, immediately off the lobby. The Agenda is published at: Board Agenda**

**[http://multnomah.granicus.com/ViewPublisher.php?view\\_id=3](http://multnomah.granicus.com/ViewPublisher.php?view_id=3)**

## 2. Portland Housing Bureau

The Chair's Office and FPM staff met with representatives of the Portland Housing Bureau ("PHB") over the last seven months. In the autumn, PHB invited Multnomah County to participate in the *North/Northeast Neighborhood Housing Strategy* community forums ("Forum(s)") to solicit input on the Property's potential for affordable housing. PHB planned the Forums to guide the investment of \$20 million in North Interstate Urban Renewal Area ("ICURA") Tax Increment Financing ("TIF") set aside to support affordable housing in the ICURA. (North Williams Center is located in the ICURA.) PHB, together with community leaders, planned these Forums to gather input from area residents. The purpose of the Forums was to provide the foundation for how PHB would develop a spending plan for the *N/NE Neighborhood Housing Strategy*.

Over the course of three weeks, PHB sponsored four Forums:

PORTLAND HOUSING BUREAU  
NORTH / NORTHEAST NEIGHBORHOOD  
HOUSING STRATEGY  
COMMUNITY FORUMS

**Highland Christian Center, 7600 NE Glisan St**

Thursday 9/18/14 • Dinner 6:00 p.m. • Session 6:30 – 9:00

**Matt Dishman Community Center, 77 NE Knott St**

Saturday 9/27/14 • Lunch 1:00 p.m. • Session 1:30 – 4:00

**Gresham City Hall, 1333 NW Eastman Pkwy, Gresham**

Thursday 10/9/14 • Dinner 6:00 p.m. • Session 6:30 – 9:00

**New Song Community Church, 2511 NE Martin Luther King Jr. Blvd**

Saturday 10/11/14 • Breakfast 9:00 a.m. • Session 9:30 – Noon

In total, more than 450 people attended the Forums, including District 2 Commissioner Loretta Smith, Chair's Office staff, and FPM staff. At all four Forums, County staff presented the Property and solicited input regarding its suitability and desirability for affordable housing. At each session, opinion and sentiment were overwhelmingly supportive of the possible re-purposing of the Property for affordable housing.

On January 28, 2015, Portland City Council voted unanimously to accept the *N/NE Neighborhood Housing Strategy* recommendations developed from the Forums. They can be found on the [PHB website](#).

### 3. Public Outreach

Staff continued open communications with the Property's immediate neighbors on the process, due diligence, and related issues. These neighbors will be delivered a copy of this Report, as will all the commenters.

Staff has also maintained dialogue with Albertina Kerr ("Kerr"), which has a leasehold interest in the Property until June 30, 2016. Kerr leases the Property for a program for developmentally disabled adults, a program for which the County has a long history of support.

In addition to the valuable input from the Forums, affordable housing developers offered important perspective on the Property's potential as affordable housing. Bridge Housing and Innovative Housing submitted detailed comments on the unique attributes which would support development of affordable housing at the Property. (The comments are in Attachment 1.)

The County received an unsolicited plan and offer for the Property from Koerner Camera and Cascade Commercial Real Estate. The plan and offer were thoughtful, serious, and well-reasoned and acknowledged the need for affordable housing in the area. (The correspondence is in Attachment 1.)

### 4. Due Diligence

Since the August 14, 2014 Resolution and Board direction, staff made significant progress in preparation for a property disposition, particularly in environmental regulation, environmental documentation, boundary survey, and disposition options.

**ENVIRONMENTAL REGULATION:** The Property was the site of a battery manufacturing operation historically associated with releases of hazardous materials. The Property is in compliance with environmental regulations for its use and operation and received a No Further Action letter from the Oregon Department of Environmental Quality ("DEQ"). The site is subject to an environmental encumbrance, an *Easement and Equitable Servitude ("EES")* which restricts disturbance of any subsurface in a defined area. No additional environmental restrictions are known.

Because the Property was conveyed to the County in satisfaction of a financial obligation to the County, under the terms of Resolution 2013-029, dated March 21, 2013, the County has not "participate[d] in the management of a facility" as that phrase is used and defined in Oregon Revised Statutes (ORS) 465.200 et seq. and Oregon Administrative Rules (OAR) 340-122-120, and accepted title to the Property "primarily to protect a security interest" as that phrase is used and defined in ORS 465.200 et seq. and OAR 340-122-120. Under these provisions, as long as the County expeditiously pursues the disposition of the Property, the County does not

become a potentially responsible party for any environmental clean-up obligations should conditions be later discovered.

The County Attorney continues to apprise DEQ of the County's progress to dispose of the Property as expeditiously as prudent with the County's public responsibilities. It was previously established that the County will need to protect its exposure to environmental liability upon disposition through the use of a Prospective Purchaser Agreement ("PPA"). A PPA is a legally binding agreement between DEQ and a prospective purchaser or lessee of real property. A PPA limits the purchaser's or lessee's liability to DEQ for environmental cleanup of the property. In return for this liability release, the PPA must provide the State with a substantial public benefit.

In a recent discussion with the County Attorney, DEQ concurred with the County's view that issuance of a solicitation for development of affordable housing at the Property would not be "management" of the Property and risk any inadvertent assumption of environmental liability by the County. DEQ also concurred that the County's proposed imposition of post-closing restrictions to ensure the continuous provision of affordable housing for a prescribed term would not jeopardize the County's limits of liability, as a substantial public benefit would be provided consistent with conditions for a PPA.

#### **ENVIRONMENTAL DOCUMENTATION:**

After consultation with DEQ, County staff employed an environmental consultant to catalog all the environmental reports available on the Property. This included a gap analysis to ensure all referenced documentation was identified, located, and imaged for inclusion in a resource library. The resource library is assembled for all FPM real property dispositions, regardless of the method of sale or conveyance.

#### **BOUNDARY SURVEY:**

In late 2014, FPM engaged a crew from the Department of Community Services County Surveyor Office to perform a boundary survey of the Property. This is an important precursor to the disposition and re-development of the Property. Boundaries were established and issues identified as a result of the professional efforts of a Multnomah County Survey crew.

#### **DISPOSITION OPTIONS:**

County and PHB staff discussed issues and options for the optimal offering of the Property for affordable housing contingent on Board approval. PHB has considerable expertise in the development, issuance, evaluation, and administration of affordable housing solicitations, including Requests for Proposals. PHB has agreed to support the efforts of the County, including funding strategies for the redevelopment.

## 5. Recommendation

As detailed in the earlier *Surplus Property Report-August 2014*, North Williams Center has unique use, asset, environmental, and regulatory characteristics. This understanding has been supplemented through County efforts in the last few months, including updated environmental direction and research, boundary establishment, and public input. The Forums highlighted the view that the Property is an asset that goes beyond its real estate value. It has historical significance in the community and great promise in addressing an area of pressing need in the County: affordable housing. Consideration should be afforded an independent market offer for the property, especially one that is thoughtful and sincere. It is reasonable to assume if the Property were offered for disposition to the private market, absent any restrictions, there would be similar interest in acquisition. However, the Property has long been established as a site in public service. Moreover, as documented in the Forums, its location in the community has greater historical significance than the improvements built upon it.

Subject to Board approval, Facilities and Property Management Division will work with Chair and Commissioner Staff, County Attorney, and the Portland Housing Bureau for the issuance of a *Request for Proposals for Affordable Housing at North Williams Center* (RFP.) The RFP would:

- a. Support Kerr's ability to operate the programs on site through the end of the lease term;
- b. Protect the County from current and future environmental liability in the disposition of the Property in accordance with DEQ requirements;
- c. Divest the Property in an expeditious and prudent manner; and
- d. Optimize the value of the Property

The Facilities and Property Management Division would administer the RFP in coordination with the County Attorney to maintain all protections available to the County. The results of the RFP will be reported back to the Board for its sole consideration at a future meeting. In any case, staff will report back on progress in a Board Briefing not later than December 2015.

## Attachment 1: Public Comments

**Trina**

11/12/14

**Whitman twhitman@bridgehousing.com via multco.us**  
to north-williams., Nicole

Good morning.

BRIDGE Housing, a non-profit affordable housing developer located here in Portland, is interested in the North Williams Center site listed on the Multnomah County's Surplus Real Property webpage.

We would like to know more about what the disposition process for this site will look like? What are the requirements and timing of that process?

For a little introduction on BRIDGE housing -- we are a 31-year old mission-based affordable housing developer. BRIDGE just broke ground on The Abigail, a 155-unit mixed income project in the north end of the Pearl District. For more information about this project and BRIDGE Housing, please visit our website at:

<http://www.bridgehousing.com/news-media/groundbreaking-abigail-portlands-pearl-district>

Thank you. We look forward to your response.

Trina Whitman AICP, LEED AP | Associate Project Manager **BRIDGE** Housing | 925 NW 19<sup>th</sup> Ave, Studio B | Portland, OR 97209  
Dir: 503.894.5725 | Main: 503.360.1828 | Cell: 503.730.8615 | Fax: 503.961.8897 | [bridgehousing.com](http://bridgehousing.com)  
[twhitman@bridgehousing.com](mailto:twhitman@bridgehousing.com) via [multco.us](http://multco.us) 12/22/14

Since BRIDGE Housing initially “commented” on Multnomah County’s surplus property on North Williams on November 12<sup>th</sup>, we have continued to assess the site as a possible location for a mixed-use affordable housing development. As a result of these efforts, we continue to believe the site is well-suited for affordable housing for the following reasons.

### **The Site**

At 50,000 square feet, the North Williams site is suitably sized for a large mixed-use development that could include a community service use in addition to affordable housing. The site’s size and R1/R2 zoning would allow for 42 to 64 housing units, which positions future development to maximize design and construction efficiencies, and effectively utilize available funding for affordable housing. As you are aware, Multnomah County participated in the N/NE Neighborhood Housing Strategy Forums held this Fall by the Portland Housing Bureau (PHB). Part of the conversation included the suitability of this site for affordable housing and the \$20 million that PHB is setting aside for affordable housing in the Interstate Corridor Urban Renewal Area (URA). Furthermore, it is our understanding that the North Williams site is located in an area of the URA likely to be targeted for this funding. BRIDGE Housing has worked with the Portland Housing Bureau on previous projects, including The Abigail Apartments, which utilized River District URA funding along with other financing sources.

### **Albertina Kerr**

The property currently contains Port City, an Albertina Kerr facility which provides employment training and opportunities to individuals with disabilities. We recently met with three Albertina Kerr staff members, Doug Butler, Chief Facilities and Fleet Officer; Lois Gibson, Director of Adult Services, and; Erin Cochrun-Weston, Assistant Director, to better understand their program and how they currently function in the existing buildings on the property. We explored the possibility of Port City remaining at the site. Albertina Kerr expressed their interest in exploring the feasibility of remaining at the site, as a component of the future development. BRIDGE Housing has a history of partnering with service providers and community-based organizations and sees the possibility of incorporating space for an Albertina Kerr facility as a possible benefit to the community, future residents and Albertina Kerr participants.

### **The Location**

The site is located three blocks north of the Central City Streetcar line at NE Broadway. It is on Tri-Met’s #4 bus route and only three blocks west of Tri-Met’s #6 bus route at MLK Blvd. The N Williams and N Vancouver couplet is also one of the City’s major bike routes. With great transit and bike access comes great access to employment, goods and services which is critical for people living at lower income levels. This location would provide convenient access to concentrations of high-density employment areas in Lloyd District and Downtown. Emanuel Hospital, located only four blocks away, provides employment opportunities as well as health care related services. A New Seasons grocery store is located 2/3 of a mile north of the site and Safeway is located 3/4 of a mile southeast of the site. As a result of these attributes, future residents would not necessarily need to own a vehicle, which could have a significant impact on their net income.

### **BRIDGE Housing**

BRIDGE Housing is a large non-profit affordable housing developer that builds, owns and manages rental apartments on the West Coast, and established an office in Portland in 2013. BRIDGE’s steady stream of diverse development efforts and pipeline activity exceeds 21,000 homes. BRIDGE is experienced in developing large, transit-oriented projects with complex financing strategies.

We appreciate the opportunity to further comment on Multnomah County’s North Williams surplus property site. We will continue to follow the County’s disposition process and look forward to a more formal opportunity to explore the site’s future for affordable housing.

Trina Whitman AICP, LEED AP | Associate Project Manager  
**BRIDGE** Housing | 925 NW 19<sup>th</sup> Ave, Studio B | Portland, OR 97209  
Dir: 503.894.5725 | Main: 503.360.1828 | Cell: 503.730.8615 | Fax: 503.961.8897 | [bridgehousing.com](http://bridgehousing.com)



**Sarah J.**

12/30/14

**Stevenson sstevenson@innovativehousinginc.com via multco.us**

to North-williams., Carolyn

Thank you for the opportunity to provide comments on the use of the Multnomah County surplus property located at 2124 N. Williams Ave. As a nonprofit affordable housing developer, Innovative Housing is committed to creating affordable housing opportunities for low-income households. With the tightening of Portland's rental housing market and double digit rent increases in recent years, low-income renters are struggling more than ever to access and afford stable housing. Because the open market is not meeting the needs of these households, especially in close-in NE Portland, we believe that affordable housing should be a top priority for publicly-controlled property in this highly desirable area.

In the case of 2124 N. Williams, this is a large piece of land in an amenity rich neighborhood that we feel would be well utilized as a location for affordable rental housing. Our vision for the property keeps a commercial presence along the industrial Williams corridor, with housing oriented towards more family friendly NE Tillamook and NE Thompson streets. The central, contaminated section could be used for parking or open space, with housing along the perimeter. The split zoning on the site would work well with a "step-down" design, allowing higher density closer to Williams and lower profile units on the east side next to the neighboring single family homes.

Based on financial modeling for similar sized sites, and assuming approximately 50 rental units affordable to a mix of households with incomes between 30% and 60% of area median, the site would need between \$1 and \$4 million in public subsidy, with the lower number assuming 9% tax credit equity. This investment would create a vibrant housing community in a neighborhood designated by the City as an opportunity zone: close to transportation, good schools, parks, and job centers. Aligning with other City goals, we would further recommend implementing a lease-up strategy that prioritizes former and existing residents of NE Portland so that any newly created housing serves an anti-displacement function in this rapidly gentrifying neighborhood.

For all of the above reasons, Innovative Housing encourages the County to give serious consideration to using the property as affordable housing, and would be happy to meet with you to discuss the site's potential. Thank you again for reaching out for public comment.

Sarah Stevenson  
Executive Director  
Innovative Housing, Inc.  
219 NW Second Avenue  
Portland, OR 97209  
(503) 226-4368 x2  
www.innovativehousinginc.com



CAMERA SYSTEMS, INC.  
Mr. Michael Sublett  
Senior Property Manager  
Facilities and Property Management  
Multnomah County  
401 N. Dixon St.  
Portland, Oregon 97227

Dear Mr. Sublett,

I am writing to you regarding our strong interest in the property owned by Multnomah County located at 2124 N. Williams Avenue. I am the owner of Koerner Camera Systems which is located approximately a block away from this property at 2323 N. Williams Avenue. I have owned and operated my business at this location for over 12 years and have seen the growth and positive transformation of this neighborhood. During this time we have doubled our employment and tripled out business in one of Portland and Oregon's most valuable and growing business segments: the film and video industry.

My business provides a broad and complete range of products and services for both the film and video industry to a growing range of both Portland based and out of state companies for the shooting and production for corporate videos, commercials, television, documentaries and feature length films. Our client list is expansive with firms such as Nike, Adidas, Columbia Sportswear, Weiden & Kennedy and almost every other creative/advertising agency in city. We are at the nexus of a clean, well-paying industry that Portland State University recently studied and concluded has an impact of \$1.4 billion dollars in the State of Oregon.

Because of our growth, I have been looking for a larger facility for close to two year in which to accommodate our operations but also to provide potentially space for complementary firms in our industry as many of our clients also need space and find value and synergy in being with other related companies. We potentially envision a film/video hub community at this location. We love this neighborhood because of its location, accessibility and diversity therefore the County's property could be a perfect fit for us. I have the financial resources to purchase the property and make the necessary improvements and have researched the compatibility of our use due to the current residential zoning and the previous environmental conditions still existing on the property are not a detriment and can also work with Albertina Kerr on a seamless relocation. We understand the County has the obligation to investigate the possibility of selling to other non-profits or providing a site for affordable housing. However I believe there is already a large presence of social service, non-profit and affordable housing (Transition Projects has a housing complex across the street from us) uses in the neighborhood and I believe returning this property to the tax rolls and substantially renovating this property to bring additional well-paying jobs in a growing and creative industry that adds to Portland's "brand" and economic viability makes incredible sense.

I stand ready to discuss further my business, capabilities and plans for this property. Please review my company's website at [www.koernercamera.com](http://www.koernercamera.com).

Thank you for your consideration,

Michael Koerner

KOERNER CAMERA SYSTEMS, INC. • 2323 N WILLIAMS AVE • PORTLAND, OR 97227  
PHONE: 503/274-6533 • 1-800-377-1132 • FAX: 503/274-5446  
[WWW.KOERNERCAMERA.COM](http://WWW.KOERNERCAMERA.COM)

### **Project Vision for the Multnomah County Property located at 2124-2156 North Williams Avenue**

*"Michael Koerner and Koerner Camera are an extremely valuable and needed resource for the film and video industry in Portland. By being here in Portland with great service and products, they support dozens of firms and hundreds of people in the creative sector" Marcus Swanson; Owner of Swanson Studios*

**About Koerner Camera:** Michael Koerner after having worked for a Seattle based film and video camera rental firm, saw an opportunity in 1996 to create a camera rental house based in Portland to serve the nascent but rapidly growing film and video industry. Principles of this venture were and are based on superior service and a more comprehensive product offering that would continually be updated and improved to reflect the rapid and continuous technology changes occurring in the film and video equipment industry. Initially based in Northwest Portland, the firm and location was small but soon grew to become the largest full service camera rental house in the Pacific Northwest with over 10 employees in two locations and the largest inventory of equipment in the region. Koerner Camera moved to the Albina neighborhood on North Williams Avenue with the purchase of a 4000 sf building in 2002. This neighborhood was the perfect fit with its historic roots, slow and steady development, growing amenities and access to transportation and core areas of Portland. Initially this building was a big improvement to the original small digs in Northwest Portland but as the firm has steadily grown the building has become cramped and outdated. Koerner Camera has been looking for a new expanded location for close to 2 years now but does not want to move out of the current neighborhood which both his employees and customers have come to appreciate. Additionally, since the film and video industry in Portland is so collaborative and synergistic, Koerner Camera sees a potential opportunity to bring different firms and skills in the film and video industry under the same roof so that cooperation and convenience can increase and opportunities for expanded business be realized. So when Multnomah County advertised for possible sale the Albertina Kerr Property less than two blocks from their current location, there was strong initial interest that has only grown as more thought and research on this opportunity has been done. The buildings and property addresses many current needs for a larger space; with good relation to warehouse and office; excellent parking and truck staging; and also the room for future expansion and add complementary other businesses and best yet..LOCATION.

**Film Industry in Portland.** From the first silent films shot in Astoria and Pendleton over a 100 years ago, the film and now video industry in Oregon and especially Portland has an illustrious history. From Oscar winner One Flew Over the Cuckoo's Nest to Portlandia and to the soon to be released feature length film Wild, the film, video and television industry has grown to have a tremendous creative and economic impact in Portland and the state. A study a few years ago on the economic impacts of the film, video and television industry by Portland State University resulted in revealing startling positive impacts among which:

- \$1.4 billion of gross economic activity
- 8000 direct and indirect jobs
- \$314,000,000 in labor income
- \$40,000,000 in taxes and fees paid.

Since this report is over 3 years old it could be assumed that these numbers should be increased by 15% which reflects the continuation of the growth of the industry over the last decade. Additionally, the report addressed other important factors such as impacts on tourism; general positive awareness of the city and its attractions; support and draw of creative professionals who are frequently cited as contributing to economic development and retention of college graduates.

**Project and Vision:** The buildings located at 2124 North Williams are an excellent fit for the growing operations of Koerner Camera while also presenting the unique opportunity to create and foster a "film and video hub" where other businesses and individuals in the industry could locate in as supportive and cooperative physical space. This could include uses such as non-profits and industry advocacy groups; post production; film production companies; editors, digital engineers and much more. Because of the layout and condition of the space there would not be a need for substantial investment as much of the work and expenditure would be to update and add to the current interior spaces and plumbing/mechanical systems.

**Zoning and Environmental:** Initial research has been done on both the environmental and zoning/use issues. Since the existing contamination is confined to small area underneath the buildings and there are no plans to disturb the soil this should not be a problem and additionally the process of obtaining a pre-purchaser agreement (PPA) is familiar and not an obstacle to a purchase. A land use planner has been consulted regarding impediments to continuing the non-conforming use on the site due to the R1-R2 zoning and again this initially does seem to present an issue given the minimal improvements that are contemplated on the property.

**Putting the Buildings to Work/Affordable Housing.** The buildings that date to the 1920's and 1930's have some decent architectural value with some ornate concrete work that will be enhanced and featured in the upgrades to the building. It is understood that a current affordable housing study has been completed in the north northeast area and there is high sensitivity to creating more affordable housing options and government owned property can often facilitate such developments. However given the low density zoning of this site, the very usable building stock in good condition and potential of creating numerous jobs in a clean, creative and desirable industry as well as bringing a property back to the tax rolls should be considered as a superior alternative to affordable housing that may be more conducive on empty or more blighted sites.



January 5, 2015

Mr. Michael Sublett  
Senior Property Manager  
Facilities and Property Management  
Multnomah County  
401N. Dixon  
Portland, Oregon 97227

RE: INTENT TO PURCHASE – 2124N. Williams Avenue PORTLAND, OR 97227

Dear Mr. Sublett,

We appreciate the opportunity to present this letter of intent to purchase the Property located on North Williams Avenue in Portland, Oregon identified as ALBINA BLOCK 23 & 24 TL 3200: BLOCK 23, SW 10' of LOT 24, LOT 25 & 26 approximately 49,658 square feet of land and all associated building improvements, land use entitlements, permits, architectural and engineering drawings, geotechnical reports, environmental studies, and all other reports or analysis related to the Property. Koerner Properties, LLC ("Buyer"), or its assigns, would be the purchaser of the property.

Please accept this letter as evidence of the intent to enter into a purchase and sale agreement ("Agreement") to purchase the above referenced property on the terms described in this letter. Neither Buyer nor Seller will be bound in any manner unless and until an Agreement has been prepared, executed and delivered by both Buyer and Seller, but if this Letter of Intent is accepted then it will constitute an agreement of the parties to deal exclusively with each other and to negotiate in good faith for a period of thirty (30) days from the mutual execution of this Letter of Intent.

We propose terms to the purchase as follows:

1. Property: The Property located on N. Williams Avenue in Portland, Oregon identified as ALBINA BLOCK 23& 24 TL 3300: BLOCK 23, S 10' of LOT 24, LOT 24&25. containing approximately 48,656 square feet of land and all associated building improvements, architectural plans, specifications, environmental reports and surveys of the land, permits, land use approvals, and all the rights, titles, interest, privileges and appurtenances which are related to or used in connection with the land.
2. Purchase Price: The purchase price for the property shall be two million one hundred and fifty thousand dollars ((\$2,150,000) with all cash at the close of escrow.
3. Escrow Deposit: Buyer shall deposit one hundred thousand dollars (\$100,000) in the form of a promissory note into escrow within five (5) business days of



N. 2124 N. Williams  
Letter of Intent

Page | 2

the mutual execution of the Agreement. Buyer shall replace the promissory note with cash (the "Escrow Deposit") at the end of the Due Diligence Period (as defined below). The Escrow Deposit shall be non-refundable to the Buyer (except for a default by the Seller, condemnation or if any material representation or material warranty of the Seller shall not be substantially true and correct at the closing) but applicable to the purchase price after the end of the Due Diligence Period.

4. Due Diligence:

Multnomah County ("Seller") shall deliver to the Buyer, within 15 business days of the mutual execution of the Agreement, the documents and information listed below:

- a. A current Preliminary Title Report, together with legible copies of all documents referenced or described therein.
- b. All architectural and engineering plans, drawings, specifications, soils reports, hazardous waste studies, hydrology reports, wetlands studies, topographical maps, boundary and ALTA surveys, environmental reports, grading plans, permits, land use approvals, and similar data relating to the Property that are available to the Seller.
- c. All permits, entitlement documents, zoning agreements, mitigation agreements with any governmental agency, and any traffic studies for this site or the surrounding properties and all correspondence related thereto.

Buyer shall have one hundred and eighty days (60) calendar days following execution of the Agreement (the "Due Diligence Period") or the time to achieve and formalize a Prospective Purchaser Agreement (PPA) with the Oregon Department of Environmental Quality (DEQ), whichever occurs first to evaluate the zoning, property condition, as well as to obtain acceptable financing, of the Property for the Buyer's ownership and development of the property. At any time during the Due Diligence Period, Buyer may terminate the purchase and sale agreement and the Escrow Deposit in the form of the promissory note shall be returned to the Buyer. Failure of the Buyer to waive due diligence contingencies prior to the expiration of the Due Diligence Period shall automatically be deemed a termination of this Agreement.

5. Closing Date:

The close of escrow and transfer of title shall occur on the date which is thirty (30) calendar days after the expiration of the Due Diligence



N. 2124 N. Williams  
Letter of Intent

Page | 3

Period. If Seller defaults under the Agreement, Buyer shall have all remedies available to Buyer, including specific performance.

6. Extensions: Buyer may extend the closing for two (2) 30-day periods by depositing an additional \$15,000 in cash per extension. All extension payments shall be nonrefundable upon deposit (except default by the Seller, condemnation or if any material representation or material warranty of the Seller shall not be substantially true and correct at the closing). All extension dollars shall be applicable to the purchase price.
7. Representatons: Seller shall make customary representations and warranties, including without limitations, Seller's representations regarding title, compliance with laws, environmental condition, physical condition, contracts, and Seller's covenants regarding the use of the Property prior to the closing consistent with Seller's current use of the property.
8. Property Inspection: Buyer shall not excavate or drill into the Property or alter any improvements on the Property or otherwise engage in invasive activities without first obtaining the prior written consent of the Seller, which shall not be unreasonably withheld.
9. Contracts and Leases: The property is to be conveyed at closing free and clear of any and all leases (other than the current lease with Albertina Care Centers) and all contracts furnishing goods, labor, construction or other services to the Property, unless otherwise consented to by the Buyer, which consent may be withheld by the Buyer at its sole discretion. The Seller will receive all income produced by the Property until closing so long as the property is conveyed as described above.
10. Confidentiality: Seller (its directors, officers, employees, representatives or consultants) shall not disclose to any person or entity any of the terms or conditions of any possible transaction (except required by law) which may arise from discussions or negotiations between the Buyer and Seller concerning the contents of this Letter of Intent, excepting that Buyer and Seller may make any required disclosure to its lenders and Buyer may make any appropriate disclosures to Buyer's consultants, attorneys and potential lenders, partners and investors.
11. Expiration: Buyer understands that the property is not being currently being offered for sale; therefore this Letter of Intent shall remain open and in good standing until such time Seller and Buyer agree to a timeframe or other dates that will apply to this interest.



Cascade Commercial  
REAL ESTATE LLC

N. 2124 N. Williams  
Letter of Intent

Page | 4

Following the mutual acceptance of the Letter of Intent, Seller's attorney will prepare a draft Agreement within ten (10) business days and deliver such Agreement to Buyer for their review and comment. Seller and Buyer will work together in good faith to negotiate a mutually acceptable Agreement within thirty (30) calendar days of the mutual execution of this Letter of Intent. This Letter of Intent represents a general statement of the preliminary intent of the parties with respect to the transaction described herein. It is expressly understood by both parties that no contractual obligation and no legal duty of any kind will be created by virtue of this Letter of Intent and Seller's acceptance hereof, except with respect to the confidentiality provision contained herein, which provisions are binding on and fully enforceable by the parties.

Thank you for the opportunity to present this Letter of Intent. We are very excited about this potential purchase and look forward to working with you on this transaction. Please contact me at (503) 228-0734 with any questions and clarifications you might need. I have attached the previous letter of interest from Michael Koerner as well as some information addressing the Vision for the property.

Sincerely,

Todd DeNeffe

cc: Multnomah County Commissioners

PROPOSED:

By:   
Michael Koerner  
Managing Partner  
Koerner Properties LLC

Accepted for \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_