

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

RESOLUTION NO. _____

Authorizing actions related to Port City Leases and Acceptance of Deed from Port City to satisfy financial obligation

The Multnomah County Board of Commissioners Finds:

- a. Motor Vehicle Rental Tax Revenue Bonds (Bonds) were issued pursuant to a Trust Indenture, dated as of November 1, 2000, between the County, as issuer, and U.S. Bank, N.A. (formerly known as U.S. Bank Trust National Association), as trustee.
- b. In conjunction with issuance of the Bonds, on November 1, 2000 the County entered into a Ground Lease Agreement (Ground Lease) and a Sublease Agreement (County Sublease) with Port City Development Center, an Oregon Nonprofit Corporation (Port City) for lease by the County and sublease back to Port City of certain real property and improvements located in the City of Portland, County of Multnomah, State of Oregon as described more fully in those agreements (the Property), for Port City's operation of a vocational training center serving developmentally disabled County residents.
- c. Rental payments made by Port City to the County under the County Sublease have been used to repay the Bonds, in part.
- d. Due to financial hardship, Port City defaulted on its rent and notified County of its intent to cease operations and to assign the vocational training center contracts to Albertina Kerr Centers, Inc., an Oregon nonprofit corporation (Kerr) effective February 1, 2013, and of Port City's willingness to convey title to the Property to County, in full satisfaction of Port City's financial obligation under the Port City Sublease.
- e. Section 10.1 of the County Sublease requires Port City to obtain County's consent to any sublease of Port City's interest in the County Sublease, and the considerations for County's consent are Kerr's operation of the vocational training center and Port City's agreement to deliver to County the monthly rental paid by Kerr prior to termination of the County Sublease, in partial satisfaction of Port City's obligations under the County Sublease.
- f. During the term of the County Sublease, 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 concerning the Property, and is prepared to accept title

to secure repayment of the Bonds and therefore “primarily to protect a security interest” as that phrase is used and defined in ORS 465.200 et seq. and OAR 340-122-120.

- g. County and Port City desire to terminate the Ground Lease and the County Sublease contemporaneously with Port City’s execution and delivery to County of the Bargain & Sale Deed conveying the Property to County.

The Multnomah County Board of Commissioners Resolves:

1. The County Chair is authorized to execute the Consent to Port City Sublease, Termination of Port City to County Ground Lease, Termination of County to Port City Sublease, and Acceptance of Deed from Port City in substantial conformance with the forms attached to this Resolution and to execute any additional documents necessary or desirable to further the intent of the attached documents, including a direct lease of the Property to Kerr following recordation of the Deed from Port City, so long as such modifications or documents do not result in a material increase in the obligations of Multnomah County or a material decrease in the benefits for Multnomah County under the attached documents.

ADOPTED this 28th day of February 2013.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Jeff Cogen, Chair

REVIEWED:

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

By _____
Kenneth M. Elliott, Assistant County Attorney

SUBMITTED BY: Joanne Fuller, Chief Operating Officer, and Mark Campbell, Chief Financial Officer