RESOLUTION APPROVING THE ACQUISITION OF THE PROPERTY AT 2033 SW 4TH AVENUE OWNED BY TRIMET

Recommended by the Finance and Administration Committee
November 13, 2018

Approved by the Board of Trustees
January 24, 2019

BACKGROUND

A. PSU entered into a Disposition & Development Agreement (DDA) with Prosper Portland (formerly the Portland Development Commission) on April 3, 2015, which provides that Prosper Portland will provide funds to PSU for the purchase of the property located at 2033 SW 4th Avenue (the "Property") from TriMet. The DDA was amended on February 20, 2018 to provide up to $5,840,000 (appraised value at the time) from Prosper Portland for PSU to acquire the Property.

B. The DDA requires that PSU construct at least $5,840,000 of taxable use as part of any development on the Property and commence construction on a project by January 31, 2024.

C. Prosper Portland provided $2,000,000 to PSU on June 28, 2018 to use to purchase the Property. Prosper Portland intends to provide $3,840,000 to PSU by June 30, 2019 to use to purchase the Property.

D. PSU entered into a Purchase and Sale Agreement with TriMet dated September 22, 2017 for the purchase the Property (the "PSA"). The PSA provides that TriMet will sell the Property to PSU for $6,015,200, the appraised value plus two years rent so PSU could use the Property for trailers during the renovation of Neuberger Hall. The PSA requires PSU to close on the purchase of the Property no later than July 31, 2019.

E. Under the PSA, PSU agreed to develop, use and maintain the Property in a manner that supports employment-generating and other transit-supportive use, which may include residential, classroom, commercial, office, and/or retail uses that support higher levels of transit service. Additionally, the PSA requires that any building constructed on the Property has a minimum building floor area of 90,000 square feet (approximately six stories).

RESOLUTION

Now, therefore, be it Resolved by the Board of Trustees, that:

1. Acquisition of Property. Consistent with the policy objectives set forth in PSU Standard 580-060-0020, the Board finds that the acquisition of the Property will be for the present or future development of the University. Pursuant to ORS 352.113 legal title shall be taken and held in
the name of the State of Oregon, acting by and through the Board, and the deed shall be
executed by the chairperson of the Board. The President is delegated the authority to approve
the acquisition of the Property after the following have been performed to the satisfaction of
the President: reviewing an appraisal by a licensed and experienced real estate appraiser
estimating the fair market value of the Property; reviewing a current or previously completed
environmental assessment and determining that any risk associated with the Property is
reasonable; and determining that sufficient ongoing revenues are available to operate and
maintain the Property. If the information as noted above are provided to the President and
meet his satisfaction, the Board hereby authorizes, empowers, and directs the President or his
delegate to take further actions as is necessary to transfer title of the Property to the name of
the State of Oregon, acting by and through the Board, including, without limitation, executing
agreements, documents, or certificates (other than the deed) in connection with the acquisition
of the Property.

2. **Purchase Price.** PSU may purchase the Property from TriMet for $6,015,200 plus closing costs as
set forth in the PSA if $5,840,000 has been received from Prosper Portland prior to closing on
the Property.

3. **Taxable Use.** If PSU develops the Property, it will construct at least $5,840,000 of taxable use as
part of the development in accordance with the DDA with Prosper Portland.

4. **Development Size.** If PSU develops the Property, it will construct at least 90,000 square feet of
building space.

5. **Effective Date.** This resolution shall take effect immediately upon adoption by the Board.

APPROVED BY THE BOARD OF TRUSTEES
JANUARY 24, 2019

[Signature]
Secretary to the Board