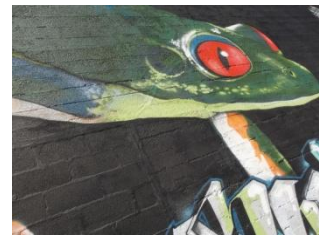




North Williams Center Portland, Oregon Supplemental Surplus Property Report March 2015



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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

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:



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 whitman@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 19th Ave, Studio B | Portland, OR 97209
Dir: [503.894.5725](tel:503.894.5725) | Main: [503.360.1828](tel:503.360.1828) | Cell: [503.730.8615](tel:503.730.8615) | Fax: [503.961.8897](tel:503.961.8897) | bridgehousing.com
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 12th, 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 Cochran-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 19th Ave, Studio B | Portland, OR 97209
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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](tel:5032264368)
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.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read "Michael Koerner", with a checkmark at the end.

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

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 ration 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 a 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 a 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

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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 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



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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. Representations: 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.

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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: _____