

Burnside Bridgehead Project - Central Eastside Urban Renewal Area
Disposition & Development Agreement Overview
Parties: Opus Northwest & Portland Development Commission

Item	Current Agreement	Issue(s)
1. Property	Approx. 4.4 acres (176,215 SF); located at corner of NE Martin Luther King Blvd. and E. Burnside Street in the Central Eastside URA; includes all of Blocks 67, 68 and 76 and portions of Blocks 69 and 75.	a. Block 69 may not have redevelopment value due to Verizon cell tower lease and Oregon Dept. of Transp. (ODOT) ramp easement.
2. Purchase Price	Parties shall negotiate the purchase price based on an updated appraisal and the consideration of public benefits derived from the Project.	<ul style="list-style-type: none"> a. Less land is now available for redevelopment than earlier anticipated. Opus assumed purchase of all portions of Block 69. b. Land now available for redevelopment is higher cost than Block 69 given zoning and location. c. Combined Sewage Overflow (CSO) project requires easement over SW portion of property, which may impact structural system and increase development costs. d. Eastside Burnside-Couch Couplet will require dedication of property for new right-of-way through property; final alignment not yet known.
3. Development Program	Office: 100,000 SF Residential (2 Towers): N. Tower market rate -199 units; S. Tower market rate – 142 units; affordable - 60 units Retail: 80,000 SF Flex: 45,000 SF Parking: 1,000 spaces *all square footages are net areas; information provided by Opus 7/5/06.	<ul style="list-style-type: none"> a. Opus proposal anticipated development of entire Block 69; PDC only controls a portion of Block. Development program modifications are necessary to account for reduction of developable land area. b. Development program may require modification based on major tenant negotiations and/or market conditions.
4. Construction Start Date	February 2008 (preliminary)	a. Need to confirm development program and closing date to determine construction start date.
5. Closing Date	February 2008 (preliminary)	a. Need to confirm development program.

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6. Issues to Resolve Prior to Property Closing	<ul style="list-style-type: none"> a. Development Program b. Zoning Map Amendment c. Environmental Cleanup—Opus to complete with PDC funding based on agreed-upon estimate for cleanup. d. Street Vacation Approval e. CSO Easement Impacts and Settlement f. Eastside Burnside Couch Couplet—certainty of project funding for completion. g. ODOT easements—removal of easements on Blocks 65, 66; granting of easement on Block 69 for future I-84 ramp expansion. h. Relocation of all tenants. 	<ul style="list-style-type: none"> a. Major tenant requires confirmation; changing market conditions may warrant development program modifications. b. Completed. c. Parties need to agree on estimate of cleanup costs. Opus requests PDC to purchase environmental insurance. d. Third Avenue/Davis Street vacation needed for redevelopment and Couplet. PDOT needs resolution of bicycle community concerns. e. PDC awaiting BES appraisal of easement for settlement negotiations and geotechnical information for Opus to determine structural (and financial) impacts to Project. f. Project requires add'l traffic capacity and access provided by Couplet. Couplet requires TIF funding from Central Eastside URA budget for next 3 years. g. Removal of ODOT easements on blocks 65 and 66 necessary for Project redevelopment. h. PDC needs to provide alternate location for Verizon cell tower as part of lease termination negotiations.
7. Infrastructure and Site Preparation	<p>Opus, at its own cost, will design, construct, fund and obtain all permits for demolition of existing improvements, the installation and/or relocation of utility services and excavation of soils for construction of the Project.</p> <p>Opus to conduct environmental remediation of property to the extent necessary for redevelopment.</p>	(Refer to Item 7.c. above)

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8. Project Financing	Opus shall be responsible for obtaining project financing. PDC shall commit up to \$6.4M (CES URA TIF) for development project as currently proposed.	a. Additional project funding may be necessary based on development program changes and near-term affordable housing development.
9. MBE/WBE/ESB and Workforce Training Goals	Opus shall comply with PDC's Good Faith Opportunity Review process with the objective of increasing the participation of Minority Business Enterprises (MBE), Women Business Enterprises (WBE) and Emerging Small Businesses (ESB) in connection with the project. Opus shall comply with PDC's Workforce Training and Hiring Program aimed at increasing apprenticeship training and work opportunities for minorities, women and disadvantaged workers in construction trades.	(None)
10. PDC Green Building Program Guidelines	Opus shall comply with PDC's Green Building Program Guidelines. A commercial or mixed use project that receives PDC financial assistance (loan, grant funds, indirect benefit such as writing down value of land) that is greater than 10% of the total project cost and greater than \$300,000 for a project that is greater than 10,000 SF is required to achieve LEED Silver Certification.	(None)