

RESOLUTION NO. 2570

A RESOLUTION APPROVING SUBORDINATION OF THE SPECIAL WARRANTY DEED REVERSIONARY INTEREST IN THE OLD CITY HALL REAL PROPERTY IN FAVOR OF THE LENDER TO ALLOW THE BUYER TO FINANCE IMPROVEMENTS TO THE BUILDING AND SITE.

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. That the Old City Hall Building, located at 104 SE Kibling Avenue, well and faithfully served the community for almost 100 years, and exceeded the reasonable expected life of the structure for use as a municipal facility.
2. That to support economic development and to preserve some of the legacy of Old City Hall, the City Council adopted Resolution No. 2558 on January 26, 2022 which approved the Purchase and Sale Agreement (PSA) by and Among the City of Troutdale, and ENT VENTURES XIV LLC, the buyer, for the sale of the Old City Hall real property.
3. That the City conveyed the real property to the buyer through the Special Warranty Deed recorded March 3, 2022 at Record Number 2022-022984 in the Official Records of Multnomah County, Oregon.
4. That the buyer intends to remodel the old building and redevelop the property into a restaurant, bar, and beer brewing operation, while honoring the building's general historic architectural vernacular appearance, restoring the interior general historic style elements of the natural wooden beams and other structural members, and elements of the wooden dance floor.
5. That the Special Warranty Deed provided a Right of Re-entry which is reserved to the City as a right to enter, take possession of, and re-acquire title to the property, if after 24 months from conveyance, the redevelopment obligations of the PSA have not been completed.
6. That the buyer is in the process of borrowing \$1.2 million to remodel the old building, and the Lender requires certain First Priority Deed of Trust and Security Agreements to secure the remodeling financing.

7. That the City finds it to be necessary, convenient, expedient, beneficial to the community, and in the best interests of the City, to subrogate the reversionary interest of Special Warranty Deed to the second position behind the Lender's certain First Priority Deed of Trust and Security Agreements, which would allow the buyer to finance the remodeling costs.

8. That supporting the redevelopment of the property with the intended uses of a restaurant, bar, and beer brewing operation and distribution activities, provides valuable economic redevelopment activity beneficial to the community.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE:

Section 1. Based on the above findings set forth herein and upon the evidence in the whole record, the City Council hereby approves the subordination of the Special Warranty Deed reversionary interest in the Old City Hall real property in favor of the Lender and approves the Subordination Agreement in a form in substantial conformity with Exhibit C of the Staff Report, but with any changes the City Official may determine necessary.

Section 2. The City Council finds that in accordance with the authority granted in Oregon Revised Statute (ORS) 271.310 the sale of the real property for redevelopment served a valuable, necessary, and authorized public purpose and which supporting the redevelopment through this subordination will further the public interest.

Section 3. The City Manager Ray Young, City Attorney Ed Trompke, and Finance Director Erich Mueller, (each a "City Official") are designated to act individually and/or jointly, on behalf of and in the best interest of the City and without further action by the City Council, and are hereby, authorized empowered and directed to execute such necessary documents on behalf of the City to implement the subordination of the Special Warranty Deed reversionary interest in the Old City Hall real property in favor of the Lender, and any and all other required and necessary documents to enable the buyer to secure the redevelopment funding, and implement the intent this resolution.

Section 4. The City Official is hereby authorized to execute, acknowledge and deliver any subsequent addendums, extensions, revisions, modification, or successor documents of the PSA, and any other supporting and implementing documents, and to take any other action as may be advisable, convenient, necessary, or appropriate to give full force and effect to the terms and intent of the PSA and this resolution, and the execution thereof by any such City Official shall be conclusive as to such determination.

Section 5. Further, as applicable, to comply with State statutes, administrative rules or local ordinances, and to act in the best interest of the City, and without further action by the City Council, the City Officials are hereby authorized, directed, and responsible for fulfilling the ministerial, intergovernmental, technical, compliance, procedural or promotional functions as required for the effective administration and implementation of the PSA, and to take any other action as may be advisable, convenient, necessary, or appropriate, and the execution thereof by any such City Official shall be conclusive as to such determination.

Section 6. That the Finance Director is authorized and directed to disburse funds, subject to annual appropriations, as necessary to fulfill the intent of this resolution and is further directed to implement all such actions necessary to ensure budgetary compliance.

Section 7. This Resolution shall take effect immediately upon adoption.

YEAS: 7
NAYS: 0
ABSTAINED: 0



Randy Lauer, Mayor
Date: August 4, 2022



Sarah Skroch, City Recorder
Adopted: August 2, 2022