



CITY OF SALEM

585 Liberty St SE
Salem, OR 97301

Staff Report

File #: 19-432

Version: 1

Date: 10/14/2019

Item #: 3.3c.

TO: Urban Renewal Agency Board
THROUGH: Steve Powers, Executive Director
FROM: Kristin Rutherford, Urban Development Dept. Director

SUBJECT:

Assignment and amendment to promissory note with State Street Square LLC

Ward(s): 1

Board Member(s): Kaser

Neighborhood(s): CANDO

Result Area(s): Strong and Diverse Economy; Welcoming and Livable Community.

ISSUE:

Shall the Agency Board authorize the Executive Director to execute the attached assignment and amendment to the promissory note with State Street Square LLC?

RECOMMENDATION:

Authorize the Executive Director to execute the attached assignment and amendment to the promissory note with State Street Square LLC.

SUMMARY:

On February 14, 2014, the Agency entered into a development agreement (Agreement) (Attachment 1) with State Street Square LLC (Linda Nishioka, member) (Assignor) for the sale and development of real property located at 129 Commercial Street SE. On June 17, 2019, the Agency consented to the assignment of the Agreement from State Street Square LLC to Koz On State Street LLC (Cathy Reines, member) (Assignee). The sale of the property was secured via a promissory note (Note) (Attachment 2). As the Agreement was assigned and proposed for amendment, it is necessary to assign and amend the Note as well.

FACTS AND FINDINGS:

Staff, Assignor, and Assignee have come to terms on terms on an assignment and amendment (Assignment/Amendment) (Attachment 3). Key terms of the Assignment/Amendment are below.

Revised payment date: February 14, 2021
New Borrower (Assignee): Koz On State Street LLC
Previous Borrower (Assignor): State Street Square LLC

BACKGROUND:

Sale proceeds from the transaction will be returned to the Riverfront-Downtown Urban Renewal Area. A related staff report amending the Agreement for this transaction is also on the agenda for Agency consideration.

Clint Dameron
Real Property Services Manager

Attachments:

1. Agreement
2. Note
3. Proposed Assignment/Amendment