

WINKLER DEVELOPMENT CORPORATION

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TELE: 503/225-0701 FAX: 503/273-8591

VIA EMAIL: scott.macleam@colliers.com

August 15, 2016

Scott MacLean
Colliers, Senior Vice President
851 SW 6th Avenue, Suite 1200
Portland, OR 97204

RE: Letter of Intent to Purchase Terminal 1
2400 NW Front Avenue, Portland, Oregon

Dear Scott:

Attached please find a letter of intent from Winkler Development Corporation to purchase the Terminal 1 property.

Our concept is to develop thoughtful, innovative affordable and workforce housing projects that will serve several constituencies, including low-income individuals, families, disabled, and seniors. We would commit to developing, in phases, the entire fourteen-acre site as affordable and workforce housing. With suitable rezoning, Terminal 1 would be a unique site in its ability to provide the scale necessary to support extensive onsite resident services and to make a meaningful difference in addressing our community's pressing need for affordable housing at a location close to employment opportunities, medical care, social services, and Portland's highest performing schools. If we truly wish to impact positively the lives of our lower income citizens, then developing affordable housing with access to high performing schools is essential. Additionally, the scale allows us to apply smart design, landscaping, open space, and appropriate reuse of the pier to foster a sense of community and place and to create a preeminent example of how cities can effectively address our most urgent challenges. Considering these features of the site that make it so desirable for affordable housing, should Portland permit non-industrial uses of Terminal 1, we believe affordable housing is preferable to a temporary or permanent homeless shelter and is a use that is compatible with the neighboring housing and businesses.

With rezoning of Terminal 1, we could develop well over one thousand affordable units, and the land cost per home at Terminal 1 would be tens of thousands of dollars less per unit than other affordable housings sites in Portland. We look forward to working with the Portland Housing Bureau, including potentially using proceeds of the affordable housing bond at Terminal 1, and to working with our community's housing non-profits to provide a wide spectrum of projects addressing the housing and resident services needs of Portland's less economically advantaged citizens.

The contingencies envisioned in the offer involve: rezoning of the site to permit a large-scale affordable multifamily development; reasonable expectation of an allocation of competitive and non-competitive low-income housing tax credits and other public subsidies needed to make the project

Scott MacLean
August 15, 2016
Page 2

economically feasible; environmental review; assessment of the physical condition of the pier and the pier's usage costs; and assessment of the sewer ("big pipe") easement.

We are committed to improving the lives of our neighbors and fellow citizens. If we are serious about making housing more affordable, we need to do it with supply, and Terminal 1 is a big opportunity.

Sincerely,



James Winkler
President

JHW/116-022
Attachment