

EXHIBIT B**Community Benefits Agreement Term Sheet***Broadway Corridor*

Prosper Portland (“**Prosper**”); the consortium of constituent organizations identified in Section 1 of this Term Sheet as the Healthy Communities Coalition (“**HCC**”); and the City of Portland Housing Bureau (“**PHB**”; and, together with Prosper and HCC, collectively the “**Parties**”) are currently negotiating in good faith in an attempt to reach agreement on terms and conditions of an anticipated Community Benefits Agreement (the “**CBA**”). Continuum Partners, LLC (“**Continuum**”) is also participating and advising the Parties in these negotiations. This document (this “**Term Sheet**”) is intended to set forth the anticipated terms and conditions of the CBA. This Term Sheet is not a binding legal document, but rather it is intended to assist HCC, Prosper, PHB, and Continuum in setting forth their mutual understandings and expectations regarding the anticipated CBA.

Background

- A. On October 14, 2015, the Prosper Portland Board of Commissioners adopted the Broadway Corridor Framework Plan (the “**2015 Framework Plan**”), which was then adopted by the Portland City Council (“**City Council**”) on November 5, 2015. The 2015 Framework Plan provides a guiding framework for development of the entire 32-acre area within the River District TIF District commonly known as “**Broadway Corridor**,” and more specifically, a feasibility analysis of the acquisition and redevelopment of the 13.33-acre United States Postal Service site, located at 715 NW Hoyt Street (the “**USPS Property**”). The USPS Property was acquired by Prosper in 2016.
- B. On November 8, 2017, Prosper issued a Request for Qualifications (the “**RFQ**”) seeking a development partner that would: (a) advise Prosper and its consultants on the development plan for Broadway Corridor; (b) advise Prosper and its consultants on their preparation of a master plan for the redevelopment of the USPS Property; and (c) engage in exclusive negotiations with Prosper regarding the redevelopment of the Prosper-controlled portion of the USPS Property. On April 11, 2018 (the “**RFQ Selection Date**”), pursuant to Resolution No. 7268, the Prosper Board of Commissioners approved the selection of Continuum as the preferred developer to advise Prosper on the Broadway Corridor Development Plan and the USPS Master Plan and with whom Prosper would exclusively negotiate a non-binding term sheet or memorandum of understanding that describes in general terms the conditions, contingencies, and commitments of Continuum and Prosper. The following guiding principles were set forth in the RFQ to inform the planning, design, development and construction of Broadway Corridor:
 - a. Accountability. There will be a robust, proactive, and transparent strategy of communication, public engagement, implementation and oversight.
 - b. Connectedness. Prosper and Continuum will leverage regional and local assets to strengthen multimodal transportation connections and improve accessibility to and through the area for all.

- c. Equity. Prosper and Continuum will work to promote racial equity, reduce disparities, and provide meaningful community benefits.
 - d. Prosperity. The Project should foster economic and wealth prosperity for all through opportunities for innovation, creativity, education, and economic growth in the region.
 - e. Resiliency. The Project should demonstrate leadership in sustainability, health and integration of the built and natural environments, and should promote human interaction with the environment.
 - f. Vibrancy. The Project should be unique, aesthetically stunning, and should contribute to the creation of a mixed-use community that welcomes and reflects diversity, integrates private and public spaces, and enriches the quality of life for existing and new Portlanders of all ages, cultures and backgrounds.
- C. The USPS Property, the Prosper-owned parcel bounded by NW Hoyt, NW Broadway, NW Glisan, and NW 6th (Property ID No. R141463) (“**Block R**”), and the Prosper-owned parcels under and to the northwest of the Broadway Bridge on NW Naito Parkway currently serving as the site of an Oregon Harbor of Hope Navigation Center (Property ID Nos. R508394 and R508395) (“**One Waterfront**”) are collectively referred to in this Term Sheet as the “**Development Site**.” This Term Sheet is intended to apply to the entire Development Site (with certain exceptions for PHB-sponsored development), but it does not cover other sites within Broadway Corridor or elsewhere unless expressly indicated to the contrary.
- D. The USPS Property is anticipated to be developed in phases; the development of each of the numbered blocks identified on Exhibit A (*Map of Site*) (each a “**Parcel**”) will occur at different times over an extended period.
- E. Prosper is currently working with Continuum to negotiate terms and conditions of a binding Disposition and Development Agreement (the “**Continuum DDA**”) that would govern the development of Parcels 5, 6, 7, 8, 9a, 9b and 9c of the USPS Property (as shown on Exhibit A). Prosper may, in the future, negotiate one or more agreements for the disposition and development of property within the Development Site with other private developers (each such agreement between Prosper and a private developer, including the Continuum DDA, is referred to herein as a “**DDA**”).
- F. It is anticipated that PHB will own and seek a development partner(s) for Parcel 4. As described in this Term Sheet, the development of Parcel 4 and other PHB-sponsored development within the Development Site (potentially including Block R or One Waterfront) is anticipated to be subject to PHB’s policies and requirements, but will only be subject to certain specifically identified provisions in the CBA (as described in Section 5.c of this Term Sheet). Between PHB-sponsored development and the application of the City of Portland’s Inclusionary Housing program to all other residential on the Development Site, subject to available financing, Broadway Corridor is expected to generate 720 new affordable housing units.

- G. The development of Broadway Corridor will benefit Portlanders in many ways, even beyond the community benefits specifically being negotiated as part of the CBA. These non-CBA-related public benefits include the potential addition of thousands of quality jobs, hundreds of units of affordable housing (as described above), new and vibrant public space, high-density development that will reduce automobile dependency in the urban core, major new funding for diverse workers and businesses through COEP (separate from the set-asides specifically described in this Term Sheet), worker protections through a separate workforce-related agreement negotiated between Continuum and SEIU (which agreement is not subject to the provisions of this Term Sheet or the CBA), additional funding for the arts through the City of Portland's Percent for Art program, and much more. The CBA will include an acknowledgment recognizing the scale and importance of these other public benefits.
- H. The development and implementation of Broadway Corridor, including the provision of community benefits, is further informed, influenced, and governed by the USPS Master Plan submitted by Prosper for City review and approval in October 2019 (the "**USPS Master Plan**").

Understandings and Anticipated CBA Terms

1. **Parties.** The parties to the CBA will be Prosper, Portland Housing Bureau (for purposes of Section 5.c (Affordable Housing)), and the following organizations comprising the Healthy Communities Coalition: **[TO BE FINALIZED]**. Continuum will not be a party.
2. **Structure of CBA Requirements.**
 - a. HCC, Prosper and PHB each acknowledge that, to the extent the CBA imposes requirements intended to be applicable to Continuum, other developers (whether private for-profit, non-profit, or otherwise), or City bureaus, the CBA will make Prosper and PHB responsible (in addition to any obligations intended to apply directly to Prosper or PHB, such as relating to funding contributions, compliance monitoring, enforcement, etc.) for passing through these requirements in its agreements (*e.g.*, DDAs; intergovernmental agreements) with these third parties. DDAs will also include provisions making developers responsible for passing through applicable terms to contractors and tenants, if applicable, and establish consequences to be negotiated for developer for contractor / tenant violations of these passed-through obligations. Therefore, the Parties will seek the prior review and approval of such terms in the CBA from Continuum and other applicable entities prior to execution.
 - b. Prosper is responsible for enforcing and monitoring compliance of CBA obligations passed through to Continuum or other private developers in DDAs and will use best efforts to do so. Prosper specifically agrees to do the following:
 - i. as described in Exhibit B (Oversight Committee Structure) to this Term Sheet, Prosper will respond in writing to the Oversight Committee's recommendations regarding non-compliance with such obligations within the period of time set forth in Exhibit B detailing whether it believes non-compliance has occurred, whether it believes further investigation is warranted, and what remedies (if any) Prosper intends to seek to address alleged non-compliance;

- ii. Prosper will investigate allegations of material non-compliance that appear to have a reasonable basis in fact, should further information be needed to establish whether such non-compliance has actually occurred;
 - iii. where the Oversight Committee's recommendation includes evidence that clearly establishes material non-compliance with a passed-through CBA obligation, Prosper will, in accordance with the applicable provisions of the DDA (which is anticipated to include a warning and reasonable opportunity for cure), pursue one or more remedies available in the DDA that are reasonably designed to bring about compliance.
 - iv. Prosper will include remedies in each DDA for failure to comply with passed-through CBA obligations, including potential liquidated damages for violations of the Business Equity Policy and Workforce Training and Hiring Programs (as either program is augmented by the CBA) (the "**BEP / WTHP**"). Other remedies will be negotiated on a case-by-case basis between Prosper and private developers.
 - v. To the extent liquidated damages are recovered by Prosper for violations of the BEP / WTHP (as augmented by the CBA), Prosper will confer with the BCCOC regarding the use of funds, with the intention that such funds will be used for business and workforce assistance consistent with the set-aside described in Section 5.a.iv.
 - c. The Parties acknowledge that neither of the foregoing will constitute violations of Section 4: (i) HCC bringing a complaint or allegation of a violation of a CBA obligation (or passed-through CBA obligation) to the Oversight Committee or otherwise bringing a complaint in accordance with the dispute resolution process provided in the CBA (as summarized in Section 9 (Dispute Resolution for Alleged Breach of CBA)); and (ii) public discussion of ideas or concerns about Broadway Corridor so long as such discussion is consistent with HCC's obligations in Section 4.
3. **Scope.** The CBA applies to the development of the Development Site unless otherwise noted (e.g., *many* sections will not apply to PHB-sponsored development on the Development Site).
4. **HCC's Commitments.** HCC and each of its constituent organizations agree to:
- a. Fully support and agree not to take actions to slow down or oppose the development of the Development Site through advocacy or other means; provided, however, that this obligation is contingent upon no "Repugnant Use"¹ occurring on the site. In the event that a PLA (as

¹ "**Repugnant Use**" means a proposed, intended, or actual use of the site that is far outside of the anticipated corporate / office / residential / retail / park / infrastructure uses of the Development Site and is objectively and inarguably in conflict with the guiding principles (Accountable; Connected; Equitable; Prosperous; Resilient; Vibrant) of the Broadway Corridor development (as outlined in the Broadway Corridor Request for Qualifications on November 8, 2017), such as fossil fuel production facilities, toxic waste dumps, public or private prisons, or ICE detention facilities. Any use or activity on or relating to the Development Site is conclusively presumed to be a non-

defined in Section 5.a.v.1) is not successfully negotiated and executed for a particular building (or buildings) by the time vertical construction of the building commences, as described in Section 5.a.v.1 below, HCC and its constituent organizations shall not be in breach for strikes, pickets, informational bannerings, and other concerted activity consistent with the National Labor Relations Act so long as such activities pertain to such building (or buildings) and not to other buildings which are subject to an executed PLA in the Development Site, infrastructure investments in or supporting the Development Site, or Broadway Corridor generally, and only pertain to the specific labor issues in dispute and persons or entities with whom the dispute resides. This paragraph (a) does not modify or reduce any other HCC obligations in Section 4.

- b. Take joint steps with Prosper Portland, Continuum and City Bureaus to support the vision of the Broadway Corridor and implementation of the CBA.
 - i. This includes cooperating to pursue funding for public-benefit elements of the development, including, without limitation:
 - 1. *Explore Transit Pass Subsidies*: HCC will work with TriMet to explore resources for free or subsidized transit passes for USPS Property workers and affordable housing residents.
 - 2. *Portland Clean Energy Fund*: Qualifying HCC members will work with Prosper Portland, Continuum and future owners and tenants to explore developing proposals eligible for PCEF funding.
 - 3. *Metro/Housing Bonds*: HCC members will work with Prosper Portland, developers, and public agencies to explore resources for affordable housing.
 - ii. Ensuring the third-party nonprofit organization for the worker assistance fund (see Section 5.b below) is established;
 - iii. Providing guidance and community perspective through oversight, including participating in the Oversight Committee (see Section 6 below);
 - iv. Supporting deliverables and outcomes contemplated within the CBA and/or Prosper and PHB's policies, such as achievement of equitable contracting and workforce goals and job quality standards; and
 - v. Taking other steps as to be determined through the CBA negotiation process.
 - vi. HCC and its constituent organizations support the deliverables and outcomes described in Section 5.a (Construction Equity). However, neither HCC nor its

Repugnant use absent clear and convincing evidence presented by HCC to the Oversight Committee to the contrary, a unanimous written vote of all HCC signatories to the CBA, and a 2/3 majority vote of the Oversight Committee. For the avoidance of doubt, the following activities are per se not Repugnant Uses: any uses or proposed uses of the Development Site or actions taken that are permitted by this Term Sheet or the CBA; office development of any type; residential development of any type; retail development of any type; government offices or facilities (other than facilities used as prisons or detention centers or offices of agencies primarily charged with detention of undocumented persons) of any type; and any other activities, infrastructure, parks, greenspace, or uses for the Development Site contemplated in this Term Sheet or the CBA, the Broadway Corridor Master Plan, the Broadway Corridor Transportation Demand Management Plan, or the Broadway Corridor Request for Qualifications issued November 8, 2017.

constituent members will be legally obligated to or legally responsible for the deliverables and outcomes contemplated by the CBA and/or Prosper policy on any construction within the Broadway Corridor that is not subject to a PLA (as defined in Section 5.a.v.1 below) or, in the case of the construction of infrastructure, the City's CBA or an agreement substantially consistent with the City's CBA as described in this Term Sheet.

- c. The CBA will establish reasonable parameters around what will suffice for compliance with the obligations described in this Section 4 in order to avoid excessive timing burdens on HCC representatives. These parameters may include, by way of example and not limitation, requiring timely prior notice from Prosper regarding meetings to be attended by HCC representatives, limiting the number of meetings that must be attended and/or the number of persons required to attend, developing a form letter that can be signed by HCC representatives and circulated to public agencies, lenders, and other partners to avoid duplicative review, and so forth.

5. Prosper Portland's Commitments. The CBA will provide for the following:

- a. Construction Equity. The Parties desire to promote social and racial equity and reduce economic disparities. The Parties have a strong commitment to utilizing BIPOC²-owned and woman-owned firms and to create high quality construction jobs for a diverse workforce. In furtherance of these goals:

- i. ***City of Portland-Contracted Infrastructure Work:***

- 1. City Council will direct City bureaus to aggregate the cost of all City-constructed infrastructure in connection with the redevelopment of the USPS Property. (The term "infrastructure" does not include PHB-sponsored affordable housing.)
- 2. This would voluntarily make the infrastructure work subject to the City's model Community Benefits Agreement (Resolution No. 37329, adopted November 8, 2017) (the "**City's CBA**").
- 3. The City's CBA would be modified to expand the existing DBE exemption from the core employee section of the City's CBA to also include MBEs and WBEs.

- ii. ***Prosper's Contracts for Demolition of USPS P&DC Facility – City's CBA Applied:*** Prosper would comply with the substantive requirements of the City's CBA (with the modification described in the preceding clause (i)) with respect to the demolition of the former USPS Processing and Distribution Facility. Further, HCC acknowledges that Prosper's construction wage policy requires payment of prevailing wages for Prosper-contracted demolition and remediation work even where State law does not require it.

² BIPOC stands for Black, Indigenous, and all People of Color.

- iii. ***USPS P&DC Facility Local Hiring Goals:*** Prosper will establish a goal that at least 15% of project hours on the USPS P&DC Facility demolition would be worked by Portland-Vancouver-Hillsboro Metropolitan Statistical Area residents. (See Section 5.a.v.3 for equivalent local hiring goal for private, vertical development in the Development Site.)
- iv. ***Public & Private Funding Set-Asides for Diverse Workforce and Business Assistance:***
The following amounts will be set aside for assistance to BIPOC /women workers and BIPOC / women-owned businesses in the construction trades in a manner similar to the City's Community Opportunities and Enhancement Program (COEP):
 - 1. ***Demolition of P&DC Facility:*** An amount equal to 1.0% of the hard demolition cost of the USPS P&DC Facility, capped at \$200,000 in the aggregate, is to be set aside at the time of the demolition.
 - 2. ***Private, Vertical Construction:*** Prosper will work with Continuum and other private developers to set aside a fixed amount of \$400,000 each for blocks 1, 3, 5, 6, 7, 8, 9a, 9b (as shown on Exhibit A), Block R and One Waterfront (except that if PHB sponsors the development of Block R or One Waterfront, such block will be excluded from the set-aside) at the time each block commences vertical construction, for a total of up to \$4,000,000. After the 10th anniversary of the CBA, Prosper and HCC will engage with the Oversight Committee to confer regarding, among other things, whether up to \$3 million could be made available from higher than anticipated land sale proceeds or lower than anticipated oversight costs, as an additional contribution to this set-aside or for other priorities identified by the Oversight Committee and partners. (Prosper will provide an informational update to the same effect after the 5th anniversary of the CBA).
- v. ***Prosper's DDAs for Private, Vertical Construction (Continuum & Subsequent Private Developers of Non-Affordable Housing Projects):***
 - 1. ***Project Labor Agreements:***
 - Prosper will require Continuum and other private developers to direct their general contractor(s) (once identified) to negotiate in good faith towards a construction project labor agreement for each project it develops within the Development Site with construction trades (each a "PLA"). If a PLA is not successfully negotiated for a project, certain backstop requirements will nonetheless apply to the construction (these requirements are identified in the penultimate bullet point of this Section 5.a.v.1).
 - The PLA that Continuum / other developers will direct its general contractor(s) to seek to negotiate will, at a minimum, include: (1) incorporation of all workforce equity provisions described in the CBA (e.g., Prosper's Workforce Training and Hiring Policy, as modified by the CBA); (2) incorporation of all required contracting equity provisions (e.g., Prosper's Business Equity Policy, as modified by the CBA); (3) a requirement that all contractors and subcontractors be

Responsible Contractors;³ (4) 48 hour rule to dispatch priority workers; (5) Unions agree to prioritize dispatch of targeted workers, where allowable; (6) a No Disruption/Labor-Management Harmony clause; and (7) a “core employee” limitation to be negotiated (i.e., a provision whereby the number of non-union-referred employees will be capped in some manner), except that any core employee limitation provision would not apply to hiring by non-union DMWBE firms.

³ For purposes of this Section 5.v.1, “**Responsible Contractor**” means a contractor or subcontractor that:

- a. Is an Oregon Bureau of Labor and Industries (BOLI) registered training agent, at the time of construction, working with an approved apprenticeship program that has been in existence for 3 years or more unless there are no apprenticeship programs for the particular trade in which the contractor works or a waiver is granted by the BCCOC;
- b. Provides a full family healthcare option for all craft employees employed through the company, which health care option shall be consistent with area standards in the Portland metropolitan region; provided, however, that (1) COBID-certified firms with stated Development Site-wide total contract or subcontract values of \$1,000,000 or less (factoring in any amendments, change orders, or modifications of any kind made within 12 months of the original contract date) are exempt from this requirement, and (2) it is understood that Continuum or other private developers may request that the Prosper Board expand this exemption beyond COBID-certified firms (i.e., to all firms with stated Development Site-wide total contract or subcontract amounts less than the aforementioned threshold), and the Prosper Board has authority to do so should it determine that not doing so would adversely impact the development of Broadway Corridor.
- c. Has an acceptable safety record (defined as having no final finding (after exhaustion of all appeals) of a willful or major violation with OSHA) during the three (3) year period immediately preceding the date a general contractor awards a bid to perform work;
- d. Participates or is willing to participate in a pre-hire drug screen for all employees to ensure the highest standard of safety;
- e. Is in compliance with all Construction Contractor's Board and Workers' Compensation requirements;
- f. Promotes the use of local vendors, suppliers, contractors, subcontractors, and encourages the hiring of local area workforce, which will return long-term community benefits;
- g. Does not have any wage theft violations or civil rights violations (in a final decision after exhaustion of all appeals) on file with the US DOL (Department of Labor) or BOLI;
- h. Does not appear on BOLI's debarred contractor list during the three (3) year period immediately preceding the date a general contractor awards a bid to perform work on the Broadway Corridor project; and
- i. Commits to participate in regular scheduled meetings with the Prosper, prime contractor, and labor/worker representatives throughout the project.

- Regardless of whether a PLA is or is not successfully negotiated for any project within the Development Site: (a) Prosper's DDAs will still require Continuum (or other private developers, as applicable) to comply with all workforce equity provisions and contracting equity provisions in the CBA, as are identified in this Term Sheet (including Prosper's policies, as modified, as outlined below); and (b) Continuum (or other private developers, as applicable) will be obligated to ensure that all its contractors and subcontractors on the Development Site are Responsible Contractors.
 - If Prosper is not able to secure an agreement with at least one Small Local Developer⁴ for at least one Parcel after issuing at least one request for proposals or comparable solicitation seeking development proposals for parcels South of Johnson with a priority for Small Local Developers, then Prosper can request an exemption to the requirement to negotiate in good faith toward a PLA from the Oversight Committee.
2. *Prevailing Wages:* Prosper will require Continuum and other private developers that it contracts with to treat vertical core and shell construction on the Development Site as if it is subject to the prevailing wage requirements of ORS 279C.800 et seq. Prosper will also impose the same requirement on developers of projects within the Development Site with respect to tenant improvement construction projects of greater than 100,000 square feet for any single tenant. These requirements will apply regardless of whether the projects would otherwise be subject to the prevailing wage requirements of ORS 279C.800 et seq.
 3. *Private Local Hiring Goal:* Any Prosper DDAs pertaining to the Development Site will include a local hiring goal equivalent to that stated in Section 5.a.iii (with respect to the USPS P&DC Facility demolition).
 4. *Prosper Policies and Increased Certified Firm and Equitable Workforce Goals:* Prosper's DDA(s) pertaining to the Development Site will, at a minimum, require developers to comply with Prosper's Business Equity Policy and Workforce Training and Hiring Program. However, the CBA will require Prosper to augment these policies in its DDAs pertaining to the Development Site. Specifically:
 - Prosper will augment its aspirational goals for certified firm utilization to 22% (with sub-goals of 12% M/DBE and 5% W/DBE).

⁴ "Small Local Developer" means a developer headquartered in the Portland, Oregon area and that meets size criteria to be negotiated in the CBA.

- Prosper will maintain its 30% minority / 15% women aggregate hours-worked aspirational goals at the journey / apprentice levels and its mandatory goal that 20% of hours worked are by apprentices.
 - In addition to the above aggregate hours-worked goals, Prosper will establish an aspirational goal that of the total hours worked by any trade: (a) 22% are worked by minorities at the apprentice level; (b) 22% are worked by minorities at the journey level; (c) 14% are worked by women at the apprentice level; and (d) 9% are worked by women at the journey level.
- 5. *Additional Continuum-Led Efforts to Increase Contractor Diversity*: In addition to complying with Prosper's policies (with the modifications described above), Prosper's DDAs will require Continuum (or other private developers Prosper contracts with on the Development Site) to (1) identify subcontracting opportunities for DMWBE and BIPOC / women-owned firms to successfully bid and build the capacity of these firms for larger contracts in the future, and (2) require subcontractors with scopes of over \$250,000 to provide targeted second-tier subcontractor work scopes where feasible to provide additional opportunities for participation by such firms.
- 6. *Funding Set-Aside*: As indicated in Section 5.a.iv, Prosper will require a funding set-aside for assistance to BIPOC / women workers and BIPOC / women-owned businesses with respect to Prosper-sponsored private, vertical construction on the Development Site.
- b. Operations Equity. The Parties desire to ensure that the people who will perform work on the Development Site are treated fairly and with dignity and respect by their employers and by those who control their wages and working conditions. The parties desire that these jobs are good jobs, with living wages and benefits, and respect for workers' voices on the job. The parties recognize that economic equity for people who perform work is an integral part of sustainable economic development and that those workers who perform service sector jobs have historically been denied economic equity. In furtherance of these goals the parties agree to the following:
 - i. ***Pathway for COBID-certified Firms***. The Parties will collaborate to support COBID-certified firms in related industries to become more competitive based on raising employee job-quality standards. If additional funding sources are identified, or if existing programs or resources can be leveraged, such collaboration could include technical assistance to COBID-certified firms by Prosper Portland or another entity.
 - ii. ***Funds for Workforce Development, Compliance Monitoring, and Enforcement***
 - 1. The CBA will provide that an amount equal to 0.4% of the contract price of third-party janitorial and security services in office buildings shall be set aside by the contracting party and contributed to a third-party nonprofit organization, to be determined by HCC or its constituent organizations, to be used for workforce development, compliance monitoring, and enforcement of applicable workforce-related laws and regulations. This

obligation will last with respect to each building within the Development Site until the tenth (10th) anniversary of the issuance of the final certificate of occupancy for the particular building, provided that if, before the obligation expires, ownership is transferred to a third-party unrelated to the then-owner, the obligation will last for the remainder of such ten (10) year period or three (3) years from the date of transfer to the successor, whichever is greater.

2. Uses of funds may include:
 - a. Trainings on the prevention of workplace harassment and discrimination, green cleaning, English for Speakers of other Languages, computers, citizenship, etc.
 - b. Enforcement of applicable employment law
3. HCC must ensure that the organization receiving funds provides an annual in-person presentation and written report on its activities and expenditures to the Oversight Committee, including an accounting of the funds received from Broadway Corridor owners and tenants and of the expenditures on trainings and services provided to Broadway Corridor workers, and a copy of any annual report that may be required by the Securities and Exchange Commission or the Department of Labor. To the extent the Oversight Committee identifies any irregularities in the information received from the organization, the Oversight Committee may request additional information or may conduct further investigation, at its cost, to address concerns. The organization will cooperate fully in such investigation.
4. Organizations receiving funds must meet one or more of the following criteria:
 - a. A non-profit organization, such as a 501(c)(3) and/or 501(c)(4) organization as defined by the Internal Revenue Code, a Taft-Hartley trust, or similar organization, and
 - b. An organization where a substantial portion of their operating budget (over 50%) relates to development, enforcement of rights for working people, or training workers on their rights, where the organization has a record of 10 or more years of direct involvement in the relevant industry. Experience requirement may be waived when organization can show partnership with a qualifying labor organization, or
 - c. A membership organization, excluding a labor union, whose members are substantially (50% or more) employed in the relevant industry
4. Funds may not be disbursed directly to:
 - a. An employer in a related industry

- b. A labor union in a related industry, as defined by 501(c)(5) of the Internal Revenue Code
- c. Affordable Housing. The Parties and PHB desire to increase the supply of safe, high-quality affordable housing in Portland, and that all Portlanders have access to the amenities and opportunities provided by the redevelopment of the Development Site. In furtherance of this goal:
 - i. **Generally:** As noted in the recitals, PHB anticipates seeking a developer partner to develop Parcel 4 as affordable residential, and PHB may also sponsor development of Block R or One Waterfront.
 - ii. **On-Site Affordable Housing:** Unless inapplicable due to future changes to residential building code or inclusionary zoning policies (as will be described more particularly in DDAs), to the extent Continuum or another private developer constructs residential units on the Development Site, Inclusionary Housing requirements will be complied with by selection of the on-site 10% of units @60% AMI option.
 - iii. **Intentional Tenanting and Outreach:** PHB will require in its Notice of Funding Availability (NOFA) a marketing, outreach and resident services plan that addresses prospective tenants' historic roots in the area and whether they have been subject to displacement, which has particularly affected the Indigenous, Black, Japanese-American, and Chinese-American communities. PHB will convene a stakeholder group to meet at least twice to advise on the of the intentional tenanting and outreach plan requirements to be included in its NOFAs. The stakeholder group will include representation from community-based housing advocacy organizations from the Black, Indigenous, Chinese and Japanese American culturally-specific serving community based organizations of other people of color, LGBTQ+ and/or people with disabilities organizations.
 - iv. **HCC Participation on Selection Advisory Committees:** PHB will use a competitive process to select developers/owners of PHB-sponsored development within the Development Site. PHB will work with HCC to include an HCC representative on a selection advisory committee for its affordable housing developments within Broadway Corridor, subject to PHB's policies and practices regarding conflicts of interest and committee diversity.
 - v. **ADA Accessibility:** PHB will seek to increase opportunities to include Type A accessible units within the developments on Parcel 4, taking into account the overall goals for reaching its affordable housing unit targets and the desire for family-sized units within the Corridor. PHB will also require affordable housing owners/developers to establish waitlist management or priority access practices for those who identify as needing a Type A accessible unit in accordance with fair housing, landlord/tenant laws and requirements from other financing partners. PHB will also require that at least 5% of units developed on Parcel 4 will be accessible to persons with mobility disabilities and 2% for persons with hearing or visual disabilities.

- vi. **Augmented PHB Construction Equity Policies:** PHB will set its goals for contractor diversity to 30% DMWESB-SDV hard cost subcontracts (with sub-goals of 12% D/MBE and 5% WBE) and 20% DMWESB-SDV professional services contracts (*e.g.*, architecture, legal, etc.) for PHB-sponsored development within the Development Site. PHB will also require compliance with the City of Portland Workforce Training and Hiring Program.
 - vii. **Continuing Discussions Regarding Construction Equity:** PHB will continue to engage in discussions with HCC and other community stakeholders regarding vehicles for improving construction equity outcomes in the affordable housing context, taking into consideration the unique financial, regulatory and other challenges of affordable housing development and ownership. To this end, PHB commits to convene two to four meetings bringing together members of HCC, representatives of organizations seeking to advance equity in construction for communities of color and women, and affordable housing developers to discuss advancing construction equity in affordable housing developments, generally and within the Corridor.
 - viii. **Accountability:** PHB will report on a regular basis to the Oversight Committee regarding its progress towards reaching its goals for affordable housing in the Development Site, its certified firm participation goals, and its workforce diversity goals.
- d. **Sustainability.** The Parties desire to adhere to high environmental standards in all phases of project design and implementation, and to leverage regional and local assets to strengthen multimodal transportation connections and improve sustainable transportation options for all. In furtherance of these goals:
- i. **Green Building Policy:** At a minimum, Prosper DDAs will require compliance with Prosper's Green Building Policy (requiring LEED Gold construction for commercial and mixed-use buildings that are 50,000+ square feet and residential buildings that are 30+ units).
 - ii. **Transportation Demand Management Plan:** HCC acknowledges that Prosper is pursuing a Transportation Demand Management Plan in connection with the USPS Master Plan application, which will encourage more efficient use of the existing transit system and encourage use of transit modes other than single occupancy vehicles (SOVs).
 - iii. **Efforts to Attain Carbon Neutrality:** To the extent funding resources are identified, Prosper, City bureaus and utilities will collaborate to explore the extent to which one or more buildings within the site can be carbon neutral. As means of pursuing this goal, Prosper will explore possibilities including the below:
 - 1. **District Energy; Off-site Renewable Energy:** To the extent funding resources are identified, Prosper, City bureaus and utility companies will collaborate to explore the extent to which a district energy system could be implemented and/or the extent to which off-site solar energy could

be implemented. So long as there is no adverse impact on project funding and schedule, the Parties will seek to achieve this locally if possible.

2. *Renewable Energy*: Continuum is also committed to use good faith efforts to utilize 100% renewable energy for its vertical construction to the extent the utilities are available.
- iv. ***Incorporation of Building Efficiency Process into DDA Review Standards***: Any Prosper DDA would establish standards for approval/disapproval of building designs based on the private developers' good faith efforts to meet certain building efficiency processes.
- e. ***Business Equity***. The Parties wish to create opportunities for BIPOC and underrepresented local businesses and foster equitable wealth creation opportunities for BIPOC and underrepresented businesses of all sizes. The Parties wish to do this not just in connection with construction, but also to intentionally explore ways to advance equity by working together to assist businesses and considering property investment and ownership structures. In furtherance of these goals:
 - i. ***Support for Affordable Commercial Tenants; Intentional Programming***:
 1. Prosper will establish a \$3,000,000 fund for grants and low-cost loans to support affordable commercial tenantry and affordability-conscious programming in the Broadway Corridor area (which may include properties in the immediate vicinity of the Development Site such as Union Station).
 2. Depending on the source of these funds, the funding may be restricted in whole or in part to capital costs (e.g., tenant improvements), but if non-restricted funding sources are identified Prosper may consider funding expenses other than capital expenses.
 3. When expending these funds, Prosper will work in good faith with Continuum and other private developers to: (a) prioritize underrepresented businesses and local businesses, including minority-owned businesses and businesses owned by persons with disabilities, with an aspirational goal of 30% or more of assisted businesses being minority-owned, (b) encourage the provision of reasonably-priced goods and services in the vicinity of Broadway Corridor, including affordable child care and food/beverage options, and (c) right-size tenant spaces and identify locations to create opportunities for smaller or start-up businesses.
 - ii. ***Exploration of Community Ownership Models***: Prosper Portland will work in good faith with Continuum to explore community ownership models that could be implemented within one or more of the development phases.
 - iii. ***Supporting Local Businesses***: Prosper will encourage private developers and prospective tenants to promote the use of local vendors, suppliers, contractors and subcontractors, and workers.
- f. ***Tenantry***. The Parties desire to provide high quality employment opportunities for Portlanders through the development of a major new employment center in the central city. In furtherance of this goal:

- i. **Orientation of Major Tenants:** Major tenants (meaning tenants with either 100 or more employees anticipated on-site or who lease 50,000 or more square feet of space) will be required to meet with two representatives of the Oversight Committee (see Section 6) following their execution of a lease, one of which will be the Prosper representative and the other of which will be designated by the Oversight Committee, to become oriented with the guiding principles set forth in Recital B and discuss opportunities for the tenant to support these principles and values.
 - ii. **Criteria for Marketing to Tenants:** Continuum will refer to the guiding principles (Accountable; Connected; Equitable; Prosperous; Resilient; Vibrant) of the Broadway Corridor development (as outlined in the Broadway Corridor Request for Qualifications on November 8, 2017) in its tenant recruitment and marketing materials and will strive to ensure that the tenant mix advance these principles. Continuum, HCC and Prosper's Economic Development Department will work together to refine how these values would be reflected in tenant recruitment and marketing materials.
 - iii. **Enterprise Zone:** Any companies receiving an Enterprise Zone tax abatement within the USPS Property will be required to provide community benefits meeting or exceeding any requirements of the CBA that are applicable to tenants. Applicable Enterprise Zone tax abatement agreements will not waive or eliminate any applicable CBA requirements. To the extent legally feasible, Prosper will share information pertinent to the outcomes of the CBA from companies receiving Enterprise Zone tax abatements with the Oversight Committee.
 - iv. **Portland Means Progress:** Prosper will work with Continuum and other private developers to explore how to encourage prospective tenants to become involved with the Portland Means Progress program, which is a City-wide initiative to hire local BIPOC youth, buy more from local BIPOC-owned businesses and take the next step in diversity, equity and inclusion.
6. **Oversight.** The Parties desire to maintain accountability to the community by implementing a robust, proactive and transparent strategy that is a responsible expenditure of public funds, attracts private investment, and delivers targeted and equitable public benefits, with clear and enforceable milestones and metrics specifically aligned with the goals of the CBA. In furtherance of this goal, the CBA will require Prosper to form and staff a committee of public and private stakeholders to advise on implementation of community benefits across the Development Site (the "**Oversight Committee**"). The Oversight Committee will be in accordance with Exhibit B (Oversight Committee Structure) attached to this Term Sheet.
7. **Term of Obligations.** The CBA will provide that (i) all construction-related obligations for each given project will be in effect through the final completion of the initial construction of the project, including tenant improvements, as applicable, (ii) the Oversight Committee obligations will continue except as may be modified in Exhibit B, and (iii) all other obligations will expire when fully performed (e.g., construction-related obligations expire after final completion of initial construction, including tenant

improvements, as applicable, and any applicable reporting is complete) or at the times specifically noted in the CBA.

- 8. Development Contingency.** The Parties acknowledge that the community benefits anticipated in this Term Sheet require the development of the Development Site and related funding allocations are roughly calibrated based on underlying development and land value assumptions. To that end, the CBA will include the following provisions:

- a. **Contingency for Adverse Development Circumstance.** If an “Adverse Development Circumstance”⁵ occurs, either Prosper Portland or HCC could re-convene negotiations by sending a written notice (the “**Re-convened Negotiations Notice**”) to the other with a description of the Adverse Development Circumstance.
- b. **Contingency for Significant Adverse Financial Impact.** If an “Adverse Financial Circumstance”⁶ occurs, then either Prosper or HCC could send a Re-convened Negotiations Notice to the other with a description of the significant adverse impact to financial resources.
- c. **Re-Convened Negotiations; Potential Termination of CBA.** Upon delivery of a Re-convened Negotiations Notice, Prosper and HCC shall re-convene negotiations. These re-convened negotiations would take place for up to three months from the delivery of the Re-convened Negotiations Notice. The goal of the re-convened negotiations will be to reach agreement on an amendment or modification to the CBA that adjusts and/or re-prioritizes the CBA’s community benefits obligations to address the specific financial, economic or practical challenges for the development of the Development Site, while nonetheless preserving agreed to community benefit obligations wherever possible. If Prosper and HCC are unable to reach agreement on amended CBA terms within three (3) months of the delivery of the Re-

⁵ “Adverse Development Circumstance” means the occurrence of any one or more of the following circumstances:

1. failure to reach agreement on a DDA with Continuum by **March 31, 2021**;
2. failure to reach agreement on a DDA (or multiple DDAs) with developers of a majority of the Development Site parcels not anticipated to be developed by Continuum by **December 31, 2029**;
3. termination of a DDA once executed by a developer due in whole or in part to general economic conditions in the City of Portland real estate development market; or
4. failure of a developer to timely meet a DDA closing or development milestone within one year from the outside dates initially required in a DDA.

⁶ “Adverse Financial Circumstance” means a circumstance that significantly adversely impacts the resources available for the performance or delivery of community benefits obligations described in this CBA or the funding of infrastructure, environmental remediation, or other necessary costs for the development of the Development Site in a manner consistent with the USPS Master Plan, the Continuum DDA, the CBA, and other DDAs from time to time. Adverse Financial Circumstances include, by way of example and not of limitation, (a) a circumstance in which the economy is such that a significant reduction in land sale price is required in order for development to be financially feasible, and (b) a determination or ruling by a public authority having jurisdiction that would materially increase infrastructure, remediation, labor, or other costs relative to existing assumptions. The CBA will include an appendix or other detail showing certain baseline assumptions regarding costs for reference when determining whether an Adverse Financial Circumstance has occurred.

convened Negotiations Notice, either Party may seek either Prosper or HCC may terminate the CBA by written notice to the other Party.

9. Dispute Resolution for Alleged Breach of CBA.

- a. The CBA will establish a dispute resolution process for all claims that a Party has breached one of its obligations under the CBA. The dispute resolution process will require the disputants to first meet and confer to seek to amicably resolve the dispute. If the disputants are unable to do so, the dispute must then be brought to the Oversight Committee for discussion and attempted resolution, and then to the Prosper Portland Board of Commissioners for the same purpose. The preceding steps must occur before a Party may file any lawsuit or otherwise take any action to seek legal redress. Any attempt to seek legal redress, including any lawsuit filed, without exhausting all steps in the agreed-upon dispute resolution process to be outlined in the CBA, will be prohibited. The specific timing and procedural requirements of the dispute resolution process remain to be negotiated in the CBA.
- b. The remedies of the prevailing disputant will be limited to either, but not both, specific performance or termination of the CBA.
- c. The CBA will include notice and cure periods to be negotiated as well as other reasonable safeguard mechanisms to ensure that claims are brought in a timely manner, that estoppels or other assurances can be timely given or deemed given, and that the process for bringing and resolving claims is as orderly and efficient as practicable.

10. Non-Binding. Notwithstanding anything to the contrary set forth in this Term Sheet, this Term Sheet is not binding in any manner, and creates no representations, warranties, or covenants (whether express or implied) in favor of any entity in any manner. This Term Sheet is solely intended to serve as a basis for documenting the current understandings of the Parties in anticipation of the negotiation and execution of a binding CBA following due authorization from the Prosper Portland Board and City Council.

[Signature Page Follows]

This non-binding Term Sheet is made by the Parties as of the latest of the dates indicated.

PROSPER PORTLAND

By: _____
Kimberly Branam, Executive Director

Date: _____, 2020

Approved as to Form:

Prosper Portland Legal Counsel

CITY OF PORTLAND HOUSING BUREAU

By: _____
Shannon Callahan, Director

Date: _____, 2020

Approved as to Form:

City Attorney

[HCC CONSTITUENT ORGANIZATION 1]

[HCC CONSTITUENT ORGANIZATION 2]

[HCC CONSTITUENT ORGANIZATION 3]

[ETC.]

[Exhibits Follow]

Exhibit A

to Term Sheet

(Map of USPS Property Parcels)



Exhibit B

to Term Sheet

(Oversight Committee Structure)

Summary of the Broadway Corridor CBA Oversight Committee (BCCOC)

- Comprised of key parties: Prosper, developers, HCC representatives, and Broadway Corridor adjacent small business owners and community members
- Ensures compliance with the CBA
- Advises Prosper on remedies, acts as a problem-solving body, and may make recommendations on actions needed
- Creates ad hoc subcommittee, as necessary, in addition to Construction Equity Subcommittee
- Prosper Portland's Executive Director makes final decisions (provided that the BCCOC may seek intervention by the Prosper Portland Board or City Council as described in the "Noncompliance" section below)
- Provides annual report to the Prosper Portland Board of Commissioners and Portland City Council
- Review of the charter and role after years five and ten
- Budget of \$50k per year for ten years

Purpose

The Broadway Corridor CBA Oversight Committee (BCCOC) is established within the Community Benefits Agreement (CBA) for the Broadway Corridor redevelopment. The BCCOC will monitor, support the implementation of, and ensure compliance with the Broadway Corridor CBA, in alignment with the vision of the Broadway Corridor.

Composition

The CBA will detail the specific process for appointment of members and determining the composition of BCCOC, with the goal that there be some flexibility on the part of the Parties to adjust the composition described in this section should the BCCOC believe that it is necessary to ensure compliance and support implementation of the CBA terms. Members of the BCCOC initially will be nominated by each constituent party and appointed by Prosper Portland. The committee will initially be made up of no more than 11 individuals with the Prosper Portland representative serving as a non-voting member (except as described below). Members will be responsible for familiarizing themselves with the CBA and working to uphold it and support the values it embodies.

The Healthy Communities Coalition (HCC) shall nominate five (5) HCC representatives. HCC's nominees will come from at least four (4) different HCC constituent organizations representing a diversity of relevant experience. Further details regarding the composition of HCC's representatives may be described in the CBA.

Prosper shall nominate:

- One (1) Prosper Portland representative (non-voting)

- One developer representative from each developer (i.e., a Continuum representative so long as the Continuum DDA is in effect, an affordable housing developer representative when such a developer is selected, etc), capped at two total developer representatives.
- One (1) Old Town / Chinatown, Broadway Corridor, or Pearl District representative
- One (1) BIPOC-owned small business representative
- One (1) representative with demonstrated expertise in sustainability / green building

HCC and Prosper may engage with each other from time to time to discuss desired criteria for BCCOC members and prospective nominees, provided that neither HCC nor Prosper will have the right to veto the other's nominees.

The CBA will detail the specific process for appointment of members and determining the composition of the Construction Equity Subcommittee (CES). Members of the CES initially will be nominated by majority vote of the BCCOC (except for the Prosper Portland representative, who will be nominated by Prosper Portland). Membership should reflect those with specific involvement in active projects within the Development Site. Following nomination, members of the CES will be appointed by Prosper Portland. The subcommittee will initially be made up of no more than 10 individuals with the Prosper Portland representative serving as a non-voting member. Composition of the Construction Equity Subcommittee shall include:

- One (1) Prosper Portland representative (non-voting)
- One developer representative from each developer (i.e., a Continuum representative so long as the Continuum DDA is in effect, an affordable housing developer representative when such a developer is selected, etc.), capped at two total developer representatives
- One (1) Carpenters representative
- One (1) Building Trades representative
- One (1) representative from a union-shop contractor certified by the State of Oregon Certification Office for Business Inclusion and Diversity (COBID)
- One (1) Open Shop COBID-certified Contractor Firm representative
- One (1) Community-Based Organization representative
- One (1) Pre-Apprenticeship Program representative
- One (1) representative from a major general contractor
- One (1) representative from a local minority contractors' association

Prosper Portland's representative may vote in the event of a tie-vote of the BCCOC or CES, notwithstanding that the Prosper Portland representative is otherwise a non-voting member.

Length of Terms

Appointees serve for a period of two years with no limit on the number of terms served.

Meetings

The BCCOC meeting frequency shall be based on development and phasing. The BCCOC shall meet quarterly at a minimum and may adjust to meet more frequently as necessary. The Construction Equity

Subcommittee shall meet no less than monthly during the life of the initial construction and development on the Development Site (as defined in the CBA Term Sheet).

Prosper Portland or its representatives shall staff and serve as the overall administrator of the BCCOC and its subcommittees.

Roles and Responsibilities

The BCCOC shall have authority to:

- Review implementation of the CBA and work with implementation bodies to resolve issues that arise in implementation;
- Advise Prosper Portland on proactive actions Parties could take to ensure outcomes and goals within the CBA are met;
- Review project employers engaged in E-Zone Programs' compliance with E-Zone public benefit requirements;
- Request necessary data from the Parties in order to track performance of and compliance with the terms of the CBA, in a format that clearly aligns with tracking the goals and targets of the CBA;
- Recommend that Prosper Portland take a specific action in accordance with an executed DDA to enforce the policy or policies within the CBA;
- Advise Prosper regarding how to best monitor, implement and enforce applicable policies (e.g., augmented Prosper Portland Business Equity Policy and Workforce Training and Hiring Program) and CBA provisions as they will be reflected in the DDA;
- Direct the establishment of ad hoc subcommittees for oversight of additional areas of the CBA (subcommittees shall report to the BCCOC); and
- Select an annual cohort of community members to receive training on all facets of the CBA and develop the leadership skills to support implementation including oversight through a training curriculum that includes key aspects of CBA implementation (i.e. interviewing construction workers, working with subcommittees based on a cohort member's interest to learn more about the work of that committee etc.).
- Report not less than annually with the Prosper Portland Board and City Council regarding CBA performance.

The Construction Equity Subcommittee shall have authority to:

- Monitor and make recommendations to Prosper Portland to ensure compliance with the Construction Equity provisions contained within the CBA;
- Meet with prime contractors and subcontractors before work commences to hear local hiring and diversity plans for each bid package to ensure compliance with the CBA;
- Meet no less than monthly to review data developers and contractors are required to provide to Prosper Portland, including the workforce and contracting usage rates and other information specified in the CBA, in order to assist Prosper Portland in ensuring compliance with the equity goals. Reports on data provided to Prosper Portland shall be provided to the CES by Prosper Portland not less than seven (7) calendar days prior to a monthly meeting;

- Work with Parties to resolve issues that arise during construction and advise the BCCOC on proactive actions Parties could take to ensure outcomes and goals within the CBA are met; and
- Recommend to the BCCOC that Prosper Portland take a specific action to enforce the policy or policies within the CBA. Prosper Portland will respond in writing to the recommendation as early as practically feasible, but in any event not more than thirty (30) days from the date the recommendation is delivered to Prosper Portland. Prosper Portland's response will indicate whether it intends to accept, reject, or accept with modifications (specifying what the modifications are), or whether it intends to undertake an investigation or seek additional information to determine how to address the recommendation.

Reporting Requirements

Parties shall determine, at the beginning of a particular phase of a project, the necessary records of information reasonably necessary to monitor compliance with the terms of the CBA. Parties shall provide these records if requested by another party and if there are no legal or contractual prohibitions from doing so.

The BCCOC shall produce an annual report on implementation of the CBA to the Prosper Portland Board and City Council. Each subcommittee shall be responsible for evaluating implementation of their scope of the CBA, both successes and challenges, and reporting to the BCCOC so that this information can be included in the annual report.

Noncompliance

If the BCCOC believes that there is non-compliance with any provision of the CBA (whether by Prosper Portland or HCC), it will make a written recommendation to Prosper Portland's Executive Director regarding a potential resolution of such alleged non-compliance and/or what available remedies Prosper Portland should seek to enforce. The BCCOC may, by simple majority vote, seek the intervention of the Prosper Portland Board and/or Portland City Council should the BCCOC not agree with Prosper Portland's response to the alleged non-compliance.

Role Review

After a period of 5 years and again after 10 years, Prosper Portland, HCC, Continuum (so long as the Continuum DDA is in effect), and any applicable developers shall review the charter and role of the BCCOC and its subcommittees. Parties may choose to adjust the role of the BCCOC or subcommittees after 5 years by consensus (the process for which will be described with particularity in the CBA). If after 10 years enough operational activity is present on the Broadway Corridor, and the BCCOC and subcommittee roles are substantially completed, Prosper may initiate a closeout of the committee and/or subcommittees and create an inclusion-centered operations body. To the extent the close-out in 10 years (should it occur) results in substantial cost savings, Prosper Portland will discuss with the BCCOC and will consider in good faith the potential allocation of all or a portion of the anticipated cost savings to assistance to BIPOC / women workers and BIPOC / women-owned businesses similar to that described in Section 5.a.iv.2 of the Term Sheet.

Budget

The BCCOC shall have an operating budget of \$50,000 per year for the first ten years of operation. This budget may be used to provide stipends, training to an annual cohort, childcare, meeting meals, etc. Prosper shall administer this budget.