



May 5, 2016

Robert Gibson
Palindrome Communities, LLC
412 NW 5th Avenue, Suite 200
Portland OR 97209

Re: *Determination Whether Project is Subject to Prevailing Wage Rate Laws*
Project: Oliver Station
Requested by: Palindrome Communities, LLC

Dear Mr. Gibson:

On May 3, 2016, the Bureau of Labor and Industries received your request asking if the Prevailing Wage Rate laws would apply to the proposed construction project known as Oliver Station. Sufficient information to make a determination was received on May 4, 2016, and therefore, the commissioner issues the following determination:

FINDING OF FACT

1. Palindrome Communities, LLC, a privately owned company, created Palindrome Lents Limited Partnership ("Palindrome Lents") as a single-purpose entity to own Oliver Station. The partners of Palindrome Lents are Palindrome Lents Manager, LLC as General Partner, and Palindrome Communities, LLC as interim Limited Partner. The Limited Partner will be replaced by a Low Income Housing Tax Credit investor prior to commencement of construction. Home Forward, formerly known as the Housing Authority of Portland, is a public agency as defined in ORS 279C.800(5), and will be admitted to Palindrome Lents as a Special Limited Partner prior to construction. Home Forward will have a .01% ownership interest in Palindrome Lents.
2. Palindrome Lents will acquire three parcels of land in Portland for the development of Oliver Station:
9138 SE Foster Road, from JK Petroleum, LLC;
5932 SE 92nd Avenue, from Tzantarmas Properties, LLC;
5916 SE 91st Avenue, from Portland Development Commission.

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3. The fair market value of the parcel of land to be acquired from Portland Development Commission (“PDC”) is \$710,000. Palindrome Lents will acquire the parcel for the fair market value.
4. The proposed Oliver Station will be located at 5932 SE 92nd Avenue in Portland, Oregon. It will consist of two five-story buildings that will include 145 rental apartments and 29,000 square feet of commercial space. The project will also provide 136 surface parking spaces.
5. Palindrome Lents will develop the project, and will contract with a third-party general contractor to construction the project.
6. Of the 145 rental apartments, 126 will be restricted to occupants with incomes at or below 60 percent of the area median income.
7. The total project cost is estimated to be \$52,152,000. The project will use the following funds:

Funds of a public agency:

\$12,400,000	Portland Housing Bureau Loan
\$8,100,000	Portland Development Commission Loan
\$500,000	Metro Transit Oriented Development Funding

Other funds:

\$10,200,000	Private Activity Bonds Bank Loan
\$5,700,000	Conventional Bank Loan
\$10,349,398	Low Income Housing Tax Credit Equity
\$1,769,340	System Development Charges Exemptions
\$3,134,262	Deferred Developer Fee

CONCLUSIONS OF LAW

1. The definition of “public works” under ORS 279C.800(6)(a)(B) applies to construction, reconstruction, major renovation or painting projects that use \$750,000 or more of funds of a public agency. The Oliver Station project will use \$21,000,000 of funds of a public agency; therefore, the definition of “public works” under ORS 279C.800(6)(a)(B) will apply to the project.
2. Pursuant to ORS 279C.810(2)(d), the Prevailing Wage Rate laws do not apply to projects for residential construction that are privately owned and that predominately provide affordable housing. Because the project will consist of buildings that are over four stories in height, and because the project will include commercial space, the project does not meet the definition of “residential construction” under ORS 279C.810(2)(d)(D). As such, the exemption from the laws for privately owned residential construction that predominately provides affordable housing will not apply to the project.

DETERMINATION

Based on the foregoing, the Prevailing Wage Rate laws, ORS 279C.800 to ORS 279C.870, and OAR Chapter 839, Division 025, will apply to the Oliver Station project.

This determination is based on the agency's file as of the date of this determination. The commissioner may make a different determination if any of the project information is incorrect or if the project or project documents are modified or supplemented after the date of this determination.

REQUEST FOR A RECONSIDERATION

After the commissioner issues a determination, the requestor or any public agency served with a copy of the determination may request that the commissioner reconsider the determination. A request for reconsideration must be submitted in writing to the Prevailing Wage Rate Unit, must include the reason or reasons for the request and any documents in support of the request, and must be received within 15 calendar days of the date the determination was mailed. A request for reconsideration does not toll the time period for requesting a contested case hearing on the determination.

RIGHT TO A HEARING

The requestor and any person adversely affected or aggrieved by this determination are entitled to a hearing as provided by the Administrative Procedures Act (ORS 183.413 to 183.470) and ORS 279C.817. If you want a hearing, the Bureau of Labor and Industries, Wage and Hour Division must receive your written request for hearing within 21 days from the date this notice was mailed. Hearing requests should be addressed and delivered to:

Administrator
Wage and Hour Division
Bureau of Labor and Industries
800 NE Oregon St., Suite 1045
Portland, Oregon 97232

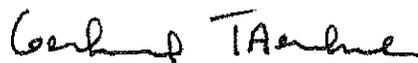
If a written request for hearing is not received within this 21-day period, your right to a hearing shall be considered waived, this determination order will be final, and the agency file on this matter shall serve as the record for purposes of proving a prima facie case.

If you request a hearing, you will be notified of the date, time and place of the hearing. You have the right to be represented by legal counsel at a hearing. However, if you are a government agency, corporation, partnership, or unincorporated association, you must be represented by either legal counsel or an authorized representative. If you request a hearing, you will receive information on Contested Case Rights and Procedures before the hearing. After the hearing, an order confirming, modifying, or reversing this determination order will be issued. This determination shall remain in effect until the final order is issued.

If you request a hearing, but fail to appear at any scheduled hearing, you will have waived your right to hearing, and the commissioner may issue a final order by default. If the commissioner issues a final order by default, the agency file on this matter shall serve as the record for purposes of proving a prima facie case.

Date: May 5, 2016

Brad Avakian, Commissioner
Bureau of Labor and Industries



Gerhard Taeubel, Administrator
Wage and Hour Division
Bureau of Labor and Industries

Certificate of Service

On May 5, 2016, I mailed the Prevailing Wage Rate Determination for the Oliver Station project to the requestor and associated public agencies, as follows:

Robert Gibson
Palindrome Communities, LLC
412 NW 5th Avenue, Suite 200
Portland OR 97209

William Thier
Portland Development Commission
222 NW Fifth Avenue
Portland, Oregon 97209

Jon Williams
Senior Development Project Manager
Metro, Transit Oriented Development
600 NE Grand Avenue
Portland, OR 97232

John Marshall
Portland Housing Bureau
421 SW 6th Avenue
Portland, OR 97204



Susan Woooley
PWR Technical Assistance Coordinator
Wage and Hour Division
Bureau of Labor and Industries