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Portland's second-largest office building gets \$66M refinance to help fund energy upgrades

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One of the Naito family's remaining Portland properties — the second-largest office building in the city — has gotten a fresh refinancing.

NBS Financial Services president [Ken Griggs](#) and finance officer [Paddy Ryan](#), both based in Portland, have secured \$66 million in refinancing for the 9-story, 687,556-square-foot Montgomery Park. The 1921 office building at 2701 N.W. Vaughn St. was originally a mail-order catalog warehouse and department store for Montgomery Ward. An extensive renovation in 1986 revamped the space into a multi-tenant mixed-use space. According to city records and information from Naito Development, Montgomery Park LLC, a subsidiary of the Bill Naito Company, bought the building for \$13 million in 1985, snatching it away from Target Oil, which had planned to convert the building into a hydroponic garden to grow tomatoes for the Japanese market.

In this latest refinance, NBS Financial represented the lender, Voya Financial, a retirement, investment and insurance company.

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According to a release from NBS Financial, the transaction was not entirely straightforward. Tenant turnover at the time of funding can be a deterrent for many lenders, especially with large spaces to backfill. But Voya, according to Griggs, remained confident in Montgomery Park's track record and prime location.

“Montgomery Park is a strong asset with a rich, local history,” Griggs said. “It’s unique to the downtown market because it offers amenities often found in the suburban market like large, contiguous floor plates, onsite parking, conference rooms and banquet facilities.”

Refinancing was placed through Voya Financial as a cash-out loan, which will help fund future energy savings projects for the property. Griggs and Ryan structured the loan with a 20-year term and 25-year amortization schedule.

Jon covers real estate for the Portland Business Journal. [Sign up for his daily newsletter](#) to hear about new projects and get behind-the-scenes looks at Portland's rapidly changing built environment.