

Second Amendment to Coliseum Operating Agreement

City of Portland
and
Portland Arena Management (PAM)

May 22, 2013

How things looked in November 2012

VMC Redevelopment Agreement and Associated Documents

Originally Anticipated Agreements for VMC Renovation Project –2013-2023

RDA Redevelopment Agreement

✧ PAM, PWH, City

PFA Project Funding Agreement

✧ PAM, PWH, PDC, City, US Bank

RSA Revenue Sharing Agreement

✧ City, PWH

City/PAM OA 2nd Amendment to Operating Agreement

✧ City, PAM

PAM/PWH Sublicense to play at VMC

✧ PAM, PWH

City PDC IGA IGA for funding and project development

✧ PDC, City

Architect Services Assignment

✧ City, PAM, PDC

Scoreboard Agreement Rental Agreement for use of by non-Hawks users

✧ City, PWH

Agreements negotiated to meet PWH request for a 20 year license – 2023-2033

City/PAM OA Extension Options for 2023-28; 2028-2033 ✧ City, PAM

PAM/PWH Sublicense terms for PWH to play at VMC (-2033) ✧ PAM, PWH

City/PDC Conditional OA If PAM doesn't continue as VMC operator ✧ City, PDC

PDC/PWH Sublicense In the event that PDC becomes the operator ✧ PDC, PWH

Option Agreement (OMF)

for transfer of Development Rights and Fee Title from City-OMF Spectator Facilities to City-PDC

- Benton Block
- East/West Garages
- Wheeler Triangle
- Entertainment Phase II Lot

✧ City-OMF, City-PDC, PAM

Parking District “Event Pricing” and Parking Meter Revenue Sharing

Proposed as possible means to make City and PAM whole for loss of income due to Benton Lot development

✧ City-PBOT, City-OMF, City-PDC

Option Agreement (PBOT)

for transfer of Development Rights and Fee Title for PBOT owned properties and ROW

- Larabee Parcel
- ROW Parcels to south & east of RQ

✧ City-PBOT, City-PDC

Key

Teal Blue – VMC Agreements – before Council in November/December 2012

Light Blue – Associated agreements – negotiated at same time, but not subject to City Council approval

Lime Green – Rose Quarter Property Agreements – before Council in November/December 2012 (except PBOT Option Agreement)

✧=Parties

How things look in May 2013 ¶

VMC Operations and Renovations & Rose Quarter Development ¶ Multi-part Approach ¶

VMC--Part-I-A (Spring 2013) ¶

City/PAM-OA 2nd Amendment to
Operating Agreement ¶
✧ City, PAM ¶

Provides for continuing operation of VMC. ¶

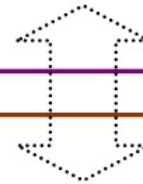
VMC--Part-I-B (Spring 2013) ¶

PAM/PWH Agreement → Provides for VMC primary ¶
✧ PAM, PWH → tenant and "home" venue for ¶
→ PWH ¶

VMC--Part-II-A (Summer/Fall 2013) ¶

Renovation Project Agreement
✧ PAM, City, PDC ¶

Allows City Council to consider costs/benefits of up-
to \$21.5M public investment in facility, including
consideration of other uses for the funding.
Renovation project scope would be the base for
consideration of additional elements that could be
built using private funding. Part II-A informs and is
informed by Part II-B. ¶



VMC--Part-II-B (Summer/Fall 2013) ¶

¶ Additional improvements as
negotiated ¶
✧ PAM, PWH, City ¶

Integrated with Part II-B; based on Council input
regarding desire/need for additional
improvements to the VMC. ¶

Rose Quarter Development ¶ (2013) ¶

¶ Agreement for
transfer of
Development Rights
and/or Fee Title from
City-OMF Spectator
Facilities to City-PDC ¶
• → Benton Block ¶
• → East/West Garages ¶
• → Wheeler Triangle ¶
• → Entertainment
Phase II Lot ¶
✧ City, PDC ¶
¶ PDC continues as lead
agency in development
of RQ. Property
transfer agreement
would be negotiated
separately from VMC
renovation project and
could proceed with or
without renovation
project. ¶

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VMC - Part I-A (Spring 2013)

City/PAM OA 2nd Amendment to Operating Agreement

✧ City, PAM

Provides for continuing operation of VMC.

VMC - Part I-B (Spring 2013)

PAM/PWH Sublicense

✧ PAM, PWH

Provides for VMC primary tenant and "home" venue for PWH

The Second Amendment to Coliseum Operation Agreement allows for continuing management and operation of the Veterans Memorial Coliseum (VMC) and of the Rose Quarter Parking Facilities by PAM beyond the June 30, 2013 expiration of the current Operating Agreement.

Second Amendment to Coliseum Operating Agreement

City of Portland and Portland Arena Management (PAM)

Key Terms of Agreement

- Extension Options: One 2-year extension; additional 3- and 5-year extension options with a renovation project or rolling 1-year extension options without. Parking Management: PAM continues as operator, no management fee except for limited share of non-event parking.
- Length of Agreement: Latest extension would end June 30, 2023.
- Repair and Maintenance Budget Amounts: City R&M Budget of \$500,000; PAM Repair Cap of \$250,000.
- Net Operating Losses (NOL): City and PAM to share NOL 50/50 up to \$250,000 each per year.

Second Amendment to Coliseum Operating Agreement

City of Portland and Portland Arena Management (PAM)

Key Terms of Agreement, continued

- Ice Floor Surcharge: Portland Winter Hawks to pay \$50,000 in each of next two years.
- Contribution of Rebates to VMC: PAM to provide rebate to VMC Operating Account based on attendance at PWH games at both Rose Garden and VMC.
- VMC Allocation: PAM allowed to allocate up to 10% of shared campus costs to VMC operating expenses.
- Updates to indemnification and insurance provisions and other administrative sections.