

RESOLUTION No. 37299

Authorize a non-binding term sheet with Peregrine Sports LLC for a proposed expansion of Providence Park (Resolution)

WHEREAS, the City owns the stadium located at SW 18th Avenue and SW Morrison Street, now named Providence Park, which currently has a seating capacity of approximately 21,000; and

WHEREAS, in 2010, after Major League Soccer (MLS) awarded Portland an expansion franchise, the City and Peregrine Sports LLC, entered into a Redevelopment Agreement (RDA) dated March 10, 2010 for the redevelopment of the stadium to a soccer venue that meets MLS standards and for the ongoing operation of the stadium; and

WHEREAS, Peregrine Sports completed the stadium conversion project and has been successfully operating the stadium since 2011 under the terms of the Stadium Operating Agreement (SOA) dated March 10, 2010; and

WHEREAS, Providence Park is the home stadium for the MLS Portland Timbers and the National Women's Soccer League Portland Thorns; and

WHEREAS, Peregrine Sports has a waiting list of approximately 13,000 fans for Portland Timbers season tickets; and

WHEREAS, Peregrine Sports proposes to expand the stadium by adding a new structure extending approximately 314 feet along SW Morrison Street that will add 3,000 to 4,000 seats and support areas, including restrooms and concessions; and

WHEREAS, the proposed expansion will extend into the public right of way along SW 18th Avenue and create an arcaded sidewalk area, such expansion being a Major Encroachment in the right of way; and

WHEREAS, Peregrine Sports proposes to pay all costs, including cost overruns, to design and construct the expansion, estimated at \$50 million; and

WHEREAS, the proposed stadium expansion will generate economic benefit to the City in the short-term through the generation of construction jobs, and over the long-term through increased event-related economic activity, national and international media exposure, and permanent jobs; and

WHEREAS, the expansion project will help ensure the stadium's long-term viability as an MLS venue as well as enhancing the opportunities for other events such as concerts and exhibition matches to occur at the stadium; and

WHEREAS, the Council adopted Resolution No. 37283 on May 10, 2017 which declared the City's support for Peregrine's proposal and directed appropriate bureaus to work with Peregrine Sports and their representatives on the proposed expansion; and

WHEREAS, the Office of Management and Finance has negotiated the financial and operational terms of the expansion project, contained in the Proposed Transaction Terms attached as Exhibit A, to protect the City's financial interests and define Peregrine's commitment to pay for the entire design and construction cost of the project; and

WHEREAS, to help offset the design and construction cost of the project, Peregrine Sports seeks an exemption from their obligation under the SOA to pay to the City the specified share of ticket revenue, defined as Surplus in the SOA, for both existing and new seats for the limited periods of time as defined in Exhibit A; and

WHEREAS, the exemption from paying Surplus to the City for existing seats will end after four (4) or five (5) years, depending on the opening year of the expansion, and the exemption from paying Surplus on new seats will end in 2025 as provided in Exhibit A; and

WHEREAS, Peregrine Sports proposes to begin construction of the expansion in the fall of 2017 and open the new expansion for the start of the 2019 or 2020 season; and

NOW, THEREFORE, BE IT RESOLVED that the City Council affirms its support for Peregrine Sports LLC's proposed expansion of the City-owned stadium; and

BE IT FURTHER RESOLVED that the Mayor is authorized to sign the Proposed Transaction Terms attached as Exhibit A; and

BE IT FURTHER RESOLVED that the Council directs the Office of Management and Finance to work with Peregrine Sports, LLC to develop formal agreements and amendments to existing agreements as necessitated by the terms contained in Exhibit A to allow the design and construction of the expansion to proceed and for the ongoing operation of the stadium; and

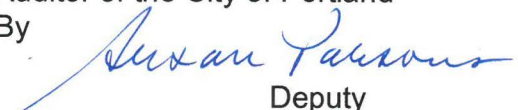
BE IT FURTHER RESOLVED that the City Council will consider formal agreements and amendments to existing agreements as described in Exhibit A prior to the start of major construction of the stadium expansion.

Adopted by the Council: JUN 21 2017

Commissioner: Mayor Ted Wheeler
Prepared by: Karl Lisle
Date Prepared: June 12, 2017

Mary Hull Caballero
Auditor of the City of Portland

By


Deputy

Agenda No.
RESOLUTION NO. 37299
 Title

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INTRODUCED BY Commissioner/Auditor: Mayor Ted Wheeler	CLERK USE: DATE FILED <u>JUN 13 2017</u>
COMMISSIONER APPROVAL Mayor—Finance & Administration – Wheeler <i>KD</i> Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Eudaly	Mary Hull Caballero Auditor of the City of Portland By: <i>[Signature]</i> Deputy
BUREAU APPROVAL Bureau: OMF <i>TC</i> Bureau Head: Tom Rinehart	ACTION TAKEN:
Prepared by: Karl Lisle Date Prepared: June 12, 2017	
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances	
✓ City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan <i>KAM</i>	
Council Meeting Date June 21, 2017	

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
TIME CERTAIN <input checked="" type="checkbox"/> Start time: 3:30 p.m. Total amount of time needed: 30 min (for presentation, testimony and discussion)		YEAS	NAYS
CONSENT <input type="checkbox"/>	1. Fritz	1. Fritz	✓
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)	2. Fish	2. Fish	✓
	3. Saltzman	3. Saltzman	✓
	4. Eudaly	4. Eudaly	✓
	Wheeler	Wheeler	✓