

IMPACT STATEMENT

Legislation title: Authorize Amendment to Proposed Transaction Terms for Expansion of Stadium with Peregrine Sports, LLC for the expansion of Providence Park (Resolution)

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Purpose of proposed legislation and background information:

This resolution approves an Amendment to Proposed Transaction Terms for Expansion of Stadium as proposed in Exhibit A.

On May 10, 2017, Council adopted Resolution No. 37286 which declared the City's support for Peregrine's proposal and directed appropriate bureaus to work on the proposed expansion with Peregrine Sports and their representatives cooperatively and consistent with City processes and procedures.

On June 21, 2017, Council adopted Resolution No. 37299 which approved the Proposed Transaction Terms for Expansion of Stadium and directed the Office of Management and Finance to work with Peregrine Sports to develop formal agreements and amendments to existing agreements as necessitated by the terms in Exhibit A of that Resolution.

When Resolution 37299 was approved, it was anticipated that these formal agreements and amendments would be approved by Council prior to the start of major construction activities. Those agreements are being developed and will be presented to Council for approval before the end of the calendar year. However, for the project to stay on schedule and maximize the construction window offered by the short professional soccer off-season, certain construction activities need to begin in October.

This resolution authorizes an amendment to the Proposed Transaction Terms allowing certain construction activities to begin prior to Council approval of the formal agreements and amendments to existing agreements. Allowed construction activities are limited to those specifically included on Schedule A of Exhibit A. In addition, this amendment makes binding Peregrine's obligation to either complete the project or return the stadium to the condition it was in prior to the construction work. Schedule B of Exhibit A details insurance requirements necessary prior to work commencing.

Financial and budgetary impacts:

The financial terms approved by Council under Resolution 37299 in June 2017 are not altered by this resolution. This resolution simply alters the timing of allowed construction and establishes requirements to allow early work to begin. For details on the financial impact of the approved transaction, please refer to the Impact Statement filed with Resolution 37299.

It is in the City's financial interest to allow Peregrine to begin construction of the expansion as soon as possible, as it is likely to result in an earlier completion date which may reduce the number of years Peregrine is exempt for payment to the City of the surplus ticket revenue on the existing seats. Refer to the Proposed Transaction Terms approved as Exhibit A to Resolution 37299 for full details on the agreed-upon surplus ticket revenue exemptions.

Community impacts and community involvement:

No community involvement is required or was conducted for this specific action as it does not alter the intent of what has already been approved by Council. Impacts and community involvement related to the broader stadium expansion project are described briefly below.

This expansion of Providence Park will provide additional capacity and help Peregrine Sports address a significant unmet demand for tickets to Portland Timbers games; the current waiting list for season tickets has approximately 13,000 people on it.

Providence Park is subject to Zoning Code requirements for a Good Neighbor Agreement (GNA) as defined in City Code 33.510.115. The current GNA, dated February 17, 2010, calls for review and update of the GNA if Additional Construction, as defined in the GNA, occurs that is in excess of \$500,000. The GNA Oversight Committee began meeting in March 2017 in anticipation of the expansion project, and has met regularly since. At the meeting on August 30, 2017, the committee approved the required construction mitigation plan and community outreach plan. Those plans have been provided to the Goose Hollow Foothills League and Northwest District Association for review. In the coming months, the Oversight Committee will finalize proposed revisions to the 2010 Good Neighbor Agreement and Comprehensive Transportation Management Plans to reflect the increased capacity of the stadium. These updated plans must be adopted by Council prior to the opening of the expansion.

The stadium expansion is subject to several public review processes in addition to the financial terms and formal agreements for the project managed by OMF. The Portland Design Commission approved the proposed design of the expansion on August 3, 2017 and City Council approved a Major Encroachment for the proposed arcade over the public sidewalk on September 13, 2017.

Budgetary Impact Worksheet**Does this action change appropriations?**

- ☐ YES: Please complete the information below.
☒ NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount