

ORDINANCE No. 183516 As Amended

Approve agreements between the City and Peregrine Sports, LLC for the renovation and operation of PGE Park for use by Major League Soccer (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. In the spring of 2008, Major League Soccer (MLS) announced its intention to take proposals for two additional expansion franchises that would begin play in 2011. Merritt Paulson, as President of Shortstop, LLC, the owner of both the Portland Beavers and Portland Timbers, approached the City and indicated that he wanted to submit a proposal to MLS for one of the expansion franchises. Mr. Paulson formed a new entity, Peregrine Sports, LLC ("Peregrine"), for the MLS project.
2. The City appointed an MLS Task Force to advise it on the matter. The Task Force was comprised of a broad cross-section of Portland residents, including, among others, veterans, representatives of the Bureau of Parks and Recreation, financial experts, neighborhood activists, and the Sports Authority. The Task Force unanimously recommended that Council vote to support Shortstop, LLC, in its bid to bring an MLS franchise to Portland and renovate PGE Park subject to certain conditions, such as protecting basic City services and preserving park land.
3. On March 11, 2009, the City Council approved Resolution No. 36687 (as amended) that declared the City's support for Peregrine's bid to bring a MLS franchise to the City and authorized the presentation of agreed upon financing terms to MLS.
4. On March 20, 2009, MLS announced its conditional approval of an MLS franchise for Portland.
5. On June 24, 2009, after evaluating a number of potential sites for a Triple-A Baseball stadium within the City of Portland, City Council adopted Resolution No. 36711, which stated that the City of Portland would pursue negotiations with Peregrine related to Peregrine's bid to bring Major League Soccer to Portland separately from negotiations to find a suitable site to construct a Triple-A Baseball stadium for the Portland Beavers.
6. On July 23, 2009, the City Council adopted Resolution No. 36717 (as amended) that approved a proposed transaction between the City and Peregrine to renovate PGE Park in a manner consistent with MLS requirements and for Peregrine to operate a newly renovated PGE Park for a minimum period of twenty-five years.

7. On July 23, 2009, the City Council adopted Ordinance No. 183036 authorizing the execution of a Predevelopment Agreement between the City and Peregrine. The Predevelopment Agreement contemplated that the City and Peregrine would enter into a Redevelopment Agreement (RDA) for the project, a new Operating Agreement, and other necessary documents.
8. The Predevelopment Agreement expired by its terms on October 1, 2009. Since that time, the parties have worked in earnest to prepare and present project documents for City Council approval. The parties have now concluded their negotiations as shown in the Exhibits attached to this Ordinance, including the RDA.
9. Section 14.1.3 of the RDA defines as project costs the City's consulting architect, construction representative and cost estimator. The cost of these services will be paid from the project budget in accordance with the Project Funding Agreement.
10. To meet the City's obligations under the RDA and to meet the project schedule the following agreements, attached to this Ordinance as Exhibits, should be approved:
 - A. Redevelopment Agreement (RDA)
 - B. Operating Agreement
 - C. Project Funding Agreement
 - D. Exclusive Use and Guaranty Agreement
 - E. Revenue Stream Guaranty
 - F. Project Completion Guaranty
 - G. Multnomah Athletic Club Amended and Restated Easement
11. In light of the Guarantees and because Turner Construction will be posting performance and payment bonds to guarantee the performance and payment for the construction work, the Council finds that any performance bond and payment bond that might be required by ORS Chapter 279C from Peregrine should be waived.
12. The City's Chief Administrative Officer should be granted authority to provide administrative oversight to these agreements.

NOW, THEREFORE, the Council directs:

- a. The Mayor is authorized to execute Exhibits A through G on behalf of the City in substantially similar form to the ones attached to this ordinance.
- b. The City's Chief Administrative Officer is granted authority to act on behalf of the City and to amend these agreements provided the amendments do not substantially alter the City's financial obligations.

- c. The Chief Administrative Officer is granted authority to amend and extend existing consultant contracts for the project and to enter into additional contracts for services needed by the City in overseeing the construction of improvements to PGE Park.
- d. Any requirement for a performance and payment bond from Peregrine is waived.

Passed by the Council: FEB 03 2010

Mayor Sam Adams

Commissioner Leonard

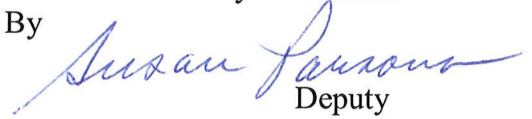
Prepared by: James H. Van Dyke

Date Prepared: January 21, 2010

LaVonne Griffin-Valade

Auditor of the City of Portland

By



Deputy

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Agenda No.
ORDINANCE NO. 183516 As Amended
Title

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<p>INTRODUCED BY Commissioner/Auditor: Mayor Adams and Commissioner Leonard</p> <p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration – Adams <i>Tom Miller</i></p> <p>Position 1/Utilities – Fritz</p> <p>Position 2/Works – Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety – Leonard <i>Pandy</i></p> <p>BUREAU APPROVAL</p> <p>Bureau: Office of Management and Finance Bureau Head: Ken Rust</p> <p>Prepared by: James H Van Dyke Date Prepared: January 21, 2010</p> <p>Financial Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Council Meeting Date 1/27/10</p> <p>City Attorney Approval <i>JVD</i></p>	<p>CLERK USE: DATE FILED <u>JAN 22 2010</u></p> <p style="text-align: right;">LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By: <i>Paul</i> Deputy</p> <p>ACTION TAKEN:</p> <p style="text-align: center;">JAN 27 2010 PASSED TO SECOND READING As Amended FEB 03 2010 9:30 A.M.</p>
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<p style="text-align: center;">AGENDA</p> <p>TIME CERTAIN <input checked="" type="checkbox"/></p> <p>Start time: 2:00 p.m.</p> <p>Total amount of time needed: 2 Hours (for presentation, testimony and discussion)</p> <p>CONSENT <input type="checkbox"/></p> <p>REGULAR <input type="checkbox"/></p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><th style="width: 33%;">FOUR-FIFTHS AGENDA</th><th colspan="2">COMMISSIONERS VOTED AS FOLLOWS:</th></tr><tr><th></th><th style="width: 33%;">YEAS</th><th style="width: 33%;">NAYS</th></tr><tr><td>1. Fritz</td><td>1. Fritz</td><td style="text-align: center;">✓</td></tr><tr><td>2. Fish</td><td style="text-align: center;">✓</td><td></td></tr><tr><td>3. Saltzman</td><td style="text-align: center;">✓</td><td></td></tr><tr><td>4. Leonard</td><td style="text-align: center;">✓</td><td></td></tr><tr><td>Adams</td><td style="text-align: center;">✓</td><td></td></tr></table>	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:			YEAS	NAYS	1. Fritz	1. Fritz	✓	2. Fish	✓		3. Saltzman	✓		4. Leonard	✓		Adams	✓	
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