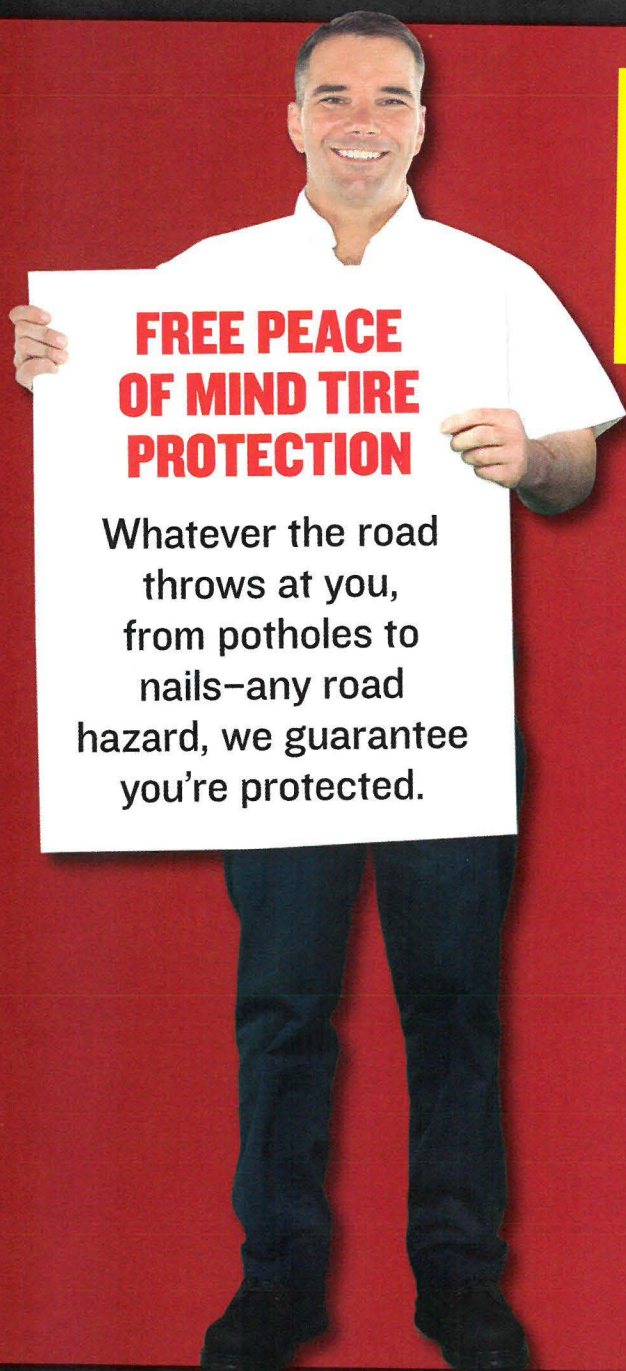


VETERANS MEMORIAL COLISEUMIF YOU WISH TO SPEAK TO CITY COUNCIL, **PRINT** YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)	ADDRESS AND ZIP CODE	Email
Harley Wedel	3010 S/E 169 th PDX	s/smaza1952@gmail.com



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Oregon School Activities Association
25200 SW Parkway Avenue, Suite 1
Wilsonville, OR 97070
503.682.6722 fax: 503.682.0960 www.osaa.org



Portland City Council
Thursday, November 29, 2012
3:30pm

Submitted
by Tom
Welter
12/5/12

OSAA

- Founded in 1918
- Private, non-profit 501(c)(3)
- 292 public and private full member high schools
- 100 public and private associate member high schools (virtual, online, alternative, private schools)
- 116 state championships each year / 19 activities
- 120,000 high school students participate in our programs each year (2/3 of students)

Veterans Memorial Coliseum (VMC)

- OSAA started using for boys basketball in 1966
- 2012-13 is 47th consecutive year of using VMC

	<u>EVENT</u>	<u>LENGTH</u>	<u>SCHOOLS</u>	<u>PARTICIPANTS</u>	<u>ATTENDANCE</u>
-	Cheerleading	1 day	75	1,000	6,000
-	Wrestling	2 days	160	952	30,000
-	Dance & Drill	4 days	75	1,200	13,000
-	6A Basketball	4 days	16	224	27,500

Importance of High School Activities

- Compliments the academic mission of our schools
- Some of the best lessons that we can teach our kids are learned outside the classroom through high school activities
- For most of our students, these state championships are the pinnacle of their athletic careers

Value to City

- Economic impact of teams, parents and fans using Portland businesses for mileage, meals and lodging needs, as well as shopping and entertainment opportunities that are available

**OSAA REGULAR DISTRICTS
2012-2013
(includes 2011-12 ADM)**

6A	(43)
1480+	

6A-1 - Metro League	(6)
Aloha Warriors	1999
Beaverton Beavers	1605
*Jesuit Crusaders	1244
Southridge Skyhawks	1843
Sunset Apollos	1969
Westview Wildcats	2467

6A-2 - Mt. Hood Conference	(7)
Barlow Bruins	1735
Centennial Eagles	1769
*Central Catholic Rams	822
David Douglas Scots	3104
Gresham Gophers	1678
Reynolds Raiders	2594
*St. Mary's Academy Blues	1276

6A-3 - Three Rivers League	(6)
Canby Cougars	1464
Clackamas Cavaliers	2257
*Lake Oswego Lakers	1188
*Lakeridge Pacers	1035
Oregon City Pioneers	2131
West Linn Lions	1495

6A-4 - Pacific Conference	(8)
Century Jaguars	1670
Forest Grove Vikings	1814
Glencoe Crimson Tide	1591
Hillsboro Spartans	1409
McMinnville Grizzlies	1900
Newberg Tigers	1543
Tigard Tigers	1922
Tualatin Timberwolves	1796

6A-5 - Central Valley Conference	(6)
McKay Scots	1744
McNary Celtics	1948
North Salem Vikings	1789
South Salem Saxons	1938
Sprague Olympians	1663
West Salem Titans	1678

6A-5A-4A Portland Interscholastic	(9)
Grant Generals (6A)	1525
*Lincoln Cardinals (6A)	1445
Benson Techmen (5A)	859
Cleveland Warriors (5A)	1466
Franklin Quakers (5A)	1404
*Jefferson Democrats (5A)	445
*Madison Senators (5A)	1088
Wilson Trojans (5A)	1334
*Roosevelt Roughriders (5A)	684

6A-5A Midwestern Hybrid	(9)
Sheldon Irish (6A)	1427
South Eugene Axemen (6A)	1397
Thurston Colts (6A)	1400
Churchill Lancers (5A)	975
*Marist Spartans (5A)	513
Marshfield Pirates (5A)	766
North Eugene Highlanders (5A)	1003
Springfield Millers (5A)	1347
Willamette Wolverines (5A)	1536

5A	(39)
1479-870	

5A-1 - Northwest Oregon Conference	(8)
Liberty Falcons	1362
Milwaukie Mustangs	1068
Parkrose Broncos	985
Putnam Kingsmen	1257
Sandy Pioneers	1208
Sherwood Bowmen	1436
St. Helens Lions	1020
Wilsonville Wildcats	1068

5A-2 - Mid-Willamette Conference	(8)
Corvallis Spartans	1132
Crescent Valley Raiders	973
Dallas Dragons	965
Lebanon Warriors	1122
Silverton Foxes	1146
South Albany Rebels	1239
West Albany Bulldogs	1412
Woodburn Bulldogs	1481

5A-3 - Columbia River Conference	(4)
Hermiston Bulldogs	1377
Hood River Valley Eagles	1191
Pendleton Buckaroos	863
The Dalles Wahtonka EagleIndians	896

6A-5A-4A Intermountain Conference	(6)
Bend Lava Bears (5A)	1496
Mountain View Cougars (5A)	1292
***Redmond Panthers (5A)	1097
Summit Storm (5A)	1313
Crook County Cowboys (4A)	748
Ridgeview Ravens (4A)	NEW

6A-5A Southern Oregon Hybrid	(7)
Crater Comets (6A)	1340
Grants Pass Cavemen (6A)	1782
North Medford Black Tornado (6A)	1594
Roseburg Indians (6A)	1755
South Medford Panthers (6A)	1727
Ashland Grizzlies (5A)	985
Eagle Point Eagles (5A)	1148

4A	(42)
869-400	

4A-1 - Cowapa League	(6)
Astoria Fishermen	575
Banks Braves	388
Scappoose Indians	679
Seaside Seagulls	457
Tillamook Cheesemakers	676
Yamhill-Carlton Tigers	395

4A-2 - Tri-Valley Conference	(6)
Estacada Rangers	642
Gladstone Gladiators	719
La Salle Falcons	629
Madras White Buffaloes	742
Molalla Indians	776
North Marion Huskies	591

4A-3 - Far West League	(6)
Brookings-Harbor Bruins	532
Douglas Trojans	425
North Bend Bulldogs	436
Siuslaw Vikings	441
South Umpqua Lancers	387
Sutherlin Bulldogs	428

4A-4 - Oregon West Conference	(6)
Cascade Cougars	669
Central Panthers	844
Newport Cubs	580
Philomath Warriors	528
Stayton Eagles	729
Taft Tigers	401

4A-5 - Sky-Em League	(6)
Cottage Grove Lions	762
Elmira Falcons	457
Junction City Tigers	514
La Pine Hawks	500
Sisters Outlaws	487
Sweet Home Huskies	690

4A-6 - Skyline Conference	(6)
Henley Homets	660
Hidden Valley Mustangs	685
Klamath Union Pelicans	704
Mazama Vikings	709
North Valley Knights	569
Phoenix Pirates	732

4A-7 - Greater Oregon League	(4)
Baker Bulldogs	505
La Grande Tigers	604
McLoughlin Pioneers	492
Ontario Tigers	710

* school choosing to play above assigned classification

**moved due to approval of Petition to Play Down

*** ADM figure for Sept. 2012 due to new school opening 10/3/2012

**OSAA REGULAR DISTRICTS
2012-2013
(includes 2011-12 ADM)**

3A (40)	2A (41)	1A (81)	1A (cont.)
399-226	225-106	105-1	105-1
3A-1 - Lewis & Clark League (9)	2A-1 - Northwest League (9)	1A-1 - The Valley 10 League (11)	1A-5 - Mountain Valley League (9)
Catlin Gabel Eagles 294	Delphian School Dragons 163	City Christian Lions 84	Butte Falls Loggers 59
Clatskanie Tigers 249	Faith Bible Falcons 136	Columbia Christian Knights 78	Gilchrist Grizzlies 67
Corbett Cardinals 192	Gaston Greyhounds 155	Columbia County Christian Eagles NEW	Hosanna Christian Lions 65
De La Salle North Catholic Knights 294	Knappa Loggers 129	Damascus Christian Eagles 85	North Lake Cowboys 66
Oregon Episcopal Aardvarks 304	Neah-Kah-Nie Pirates 177	Life Christian Lions 52	Paisley Broncos 42
Portland Adventist Cougars 220	Nestucca Bobcats 171	North Clackamas Christian Saints 63	Prospect Cougars 87
Rainier Columbians 305	Portland Christian Royals 212	Open Door Christian Huskies 68	Rogue Valley Adventist Red Tail Hawks 46
Valley Catholic Valiants 330	Riverdale Mavericks 177	Portland Lutheran Bluejays 83	Triad Timber Wolves 64
Warrenton Warriors 241	Vernonia Loggers 207	Portland Waldorf School 81	Trinity Lutheran Saints 45
		Southwest Christian Wildcats 88	
		St. Stephens Academy 23	
3A-2 - West Valley League (8)	2A-2 - Mountain View Conference (9)	1A-2 - Casco League (13)	1A-6 - Big Sky League (12)
Amity Warriors 251	Canyonville Christian Pilots 108	C.S. Lewis Watchmen 80	Arlington Honkers 38
Colton Vikings 230	Days Creek Wolves 105	Country Christian Cougars 62	Central Christian Tigers 69
Dayton Pirates 322	Glendale Pirates 115	Crosshill Christian Eagles 25	Condon Blue Devils 41
Gervais Cougars 329	Milo Adventist Mustangs 80	Falls City Mountaineers 49	Dufur Rangers 83
*Horizon Christian Hawks (TUAL) 142	Monroe Dragons 133	Jewell Bluejays 40	Echo Cougars 75
Sheridan Spartans 218	North Douglas Warriors 114	Kings Valley Charter 31	Griswold Grizzlies 40
Westside Christian Eagles 247	Oakland Oakers 193	Mid-Valley Christian Navigators 10	Horizon Christian Hawks (HR) 73
Williamina Bulldogs 230	Oakridge Warriors 151	Oregon School ft Deaf Panthers 62	Ione Cardinals 69
	Riddle Irish 107	Perrydale Pirates 101	Nixyaawii Eagles 42
3A-3 - PacWest Conference (10)	2A-3 - Tri-River Conference (8)	St. John Bosco Knights 30	Sherman Huskies 78
Blanchet Catholic Cavaliers 247	Central Linn Cobras 198	St. Paul Buckaroos 104	South Wasco County Redsides 63
Chemawa Braves 291	Culver Bulldogs 197	Veritas School 66	Wheeler Falcons 30
Creswell Bulldogs 365	East Linn Christian Eagles 105	Willamette Valley Christian Warriors 28	
Harrisburg Eagles 271	Kennedy Trojans 209		1A-7 - Old Oregon League (6)
Jefferson Lions 294	Regis Rams 153		Cove Leopards 103
Pleasant Hill Billies 249	Santiam Wolverines 142	1A-3 - Mountain West League (9)	Imbler Panthers 105
Salem Academy Crusaders 226	Waldport Irish 203	Alsea Wolverines 41	Joseph Eagles 70
Santiam Christian Eagles 255	Western Mennonite Pioneers 155	Crow Cougars 98	Pine Eagle Spartans 65
Toledo Boomers 204		Eddyville Charter Eagles 54	Powder Valley Badgers 65
Scio Loggers 249		Lowell Devils 81	Wallowa Cougars 66
3A-4 - Eastern Oregon League (5)	2A-4 - Blue Mountain Conference (9)	Mapleton Sailors 60	
Burns Hilanders 226	Elgin Huskies 122	Mc Kenzie Eagles 71	1A-8 - High Desert League (13)
Nyssa Bulldogs 304	Enterprise Outlaws 118	Mohawk Indians 59	Adrian Antelopes 84
Riverside Pirates 263	Grant Union Prospectors 185	Siletz Valley Warriors 76	Burnt River Bulls 16
Umatilla Vikings 377	Heppner Mustangs 127	Triangle Lake Lakers 73	Crane Mustangs 76
Vale Vikings 257	Irrigon Knights 213		Dayville Tigers 21
	Pilot Rock Rockets 119	1A-4 - Skyline League (8)	Harper Hornets 27
	Stanfield Tigers 168	Camas Valley Hornets 58	Huntington Locomotives 29
	Union Bobcats 120	Elkton Elks 79	Jordan Valley Mustangs 24
	Weston-McEwen Tiger Scots 157	New Hope Christian Warriors 88	Long Creek Mountaineers 18
		Oak Hill School Falcons 32	Mitchell Loggers 44
		**Pacific Pirates 107	Monument Tigers 17
		Powers Cruisers 39	Prairie City Panthers 45
		Umpqua Valley Christian Monarchs 87	Spray Eagles 18
		Yoncalla Eagles 103	Ukiah Cougars 34
3A-2A - Sunset Hybrid (6)	3A-2A - Southern Cascade League (8)		
Bandon Tigers (3A) 242	Cascade Christian Challengers (3A) 303		
Coquille Red Devils (3A) 281	Illinois Valley Cougars (3A) 353		
Glide Wildcats (3A) 219	Lakeview Honkers (3A) 213		
Myrtle Point Bobcats (2A) 193	Rogue River Chieftains (3A) 282		
Gold Beach Panthers (2A) 179	St Mary's Crusaders (3A) 302		
Reedsport Braves (2A) 181	Bonanza Antlers (2A) 121		
	Chiloquin Panthers (2A) 110		
	Lost River Raiders (2A) 161		

Full Member Charter Schools

Oregon Coast Technology	202
Milwaukie Arts Academy	200
Corbett Charter	153
Sheridan Japanese	30
Riddle Education Center	31

Co-Op

North Bend
Milwaukie
Corbett
Sheridan
Riddle

Full Member School with No Assigned District

Livingstone Adventist Academy	54
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* school choosing to play above assigned classification

**moved due to approval of Petition to Play Down

*** ADM figure for Sept. 2012 due to new school opening 10/3/2012

Testimony of Bernie Bottomly
Vice President, Government Relations and Economic Development
Portland Business Alliance
Before Portland City Council
Regarding the Veterans Memorial Coliseum
December 5, 2012

Good afternoon, Mayor Adams and Commissioners. My name is Bernie Bottomly and I am the Vice President of Government Relations and Economic Development at the Portland Business Alliance. Sandra McDonough, President & CEO, served on the Rose Quarter Stakeholder Advisory Committee, and on her behalf, I am here to support the Veterans Memorial Coliseum redevelopment plan before you today.

This is an example of a successful public-private partnership that Portland is known for, and it would not have happened without the tireless efforts of Mayor Adams, Portland Development Commission Chair Scott Andrews, city and PDC staff, and the dedication of our private partners the Portland Winterhawks and Portland Arena Management. Thank you for your collaborative efforts.

A lot of painstaking and detailed work has gone into this proposal. The result is a collaborative deal that works, lays the groundwork for future partnerships, and provides real community benefit for the neighborhood, the city and the region.

The project is exactly the kind of investment that urban renewal was designed provide and produces the short and long term benefits that epitomize the prudent use of this critical tool. We believe the project merits this investment for the following reasons:

- First, it has private sector participation. I want to emphasize again how important this is. This project could not have been possible without the Portland Winterhawks and Portland Arena Management, who are bringing a lot to the table. We want to thank you for your contributions to this partnership.
- Second, this development will catalyze this area and spur economic investment in the broader Rose Quarter area. This project will provide certainty for other investors that the city is a dedicated partner in revitalizing this neighborhood.
- Third, it creates local and regional benefit by offering a viable entertainment facility for the Portland Winterhawks and many other events. This attracts new energy to the area, enlivening it with civic and economic activity.

Having the city and the Portland Development Commission involved in this project and poised to assist with future development opportunities in this area will support additional strategic investments in this district. We are supportive of the city and the Portland Development Commission continuing to work with private sector partners and use this public-private redevelopment opportunity as the beginning of other key investments in the surrounding parcels.

Thank you again, Mayor Adams for your leadership on this project, and our thanks again to Chair Scott Andrews and the Portland Development Commission for their work.

And most importantly, we want to thank Portland Winterhawks and Portland Arena Management for their investment in this area and their commitment to the community. Thank you.



December 4, 2012

Sam Adams
Mayor
City of Portland
1220 SW 5th Avenue
Portland, OR 97204

RE: Rose Quarter Event Parking District

Dear Mayor Adams:

We apologize for not being able to attend the City Council meeting on 12/5/2012 where consideration of establishing a Rose Quarter Event Parking District will take place.

The Lloyd Transportation Management Association (LTMA) supports the ordinance under consideration for the following reasons:

- The proposed Event Parking District Plan will address access issues in the Rose Quarter area during significant events and would, hopefully, be modeled along the lines of the City's current event parking plan now in place in the area of Jeld-Wen Field downtown. We believe the Jeld-Wen event area plan has helped to mitigate parking issues associated with large events and balances well with encouraging event patrons to consider transit and other access alternatives.
- The plan targets and will be tailored to the Rose Quarter area of the current Lloyd Meter District during specific periods when mitigation and strategic management is important and appropriate. This area is already treated differently from an enforcement perspective with later enforcement hours (to 10 PM) than the rest of the meter district, primarily all areas west of NE Martin Luther King, Jr. Blvd. The area is a unique sub-area and deserves some targeted management.
- The plan, as proposed, honors and preserves the current revenue sharing agreements in place within the larger Lloyd Meter District, which was established in 1997 in partnership with the Lloyd TMA, Lloyd District Community Association (LDCA) and area stakeholders.
- The plan encourages an on-going partnership with the Lloyd TMA, which we truly appreciate. The plan acknowledges the nearly 20 year partnership we have maintained

with the City to provide innovative programs for parking and transportation demand management in the Lloyd District.

In summary, we are in support of the resolution and the proposed process to develop and implement a Rose Quarter Event Parking Plan within our current meter district. We look forward to assisting in any way that we can to advance the plan and develop meaningful strategies to address high volume event traffic into and out of the Rose Quarter.

Thank you for your time and consideration of our comments.

Yours truly,

A handwritten signature in black ink, appearing to read 'Rick Williams', with a stylized, flowing script.

Rick Williams
Executive Director

VETERANS MEMORIAL COLISEUMIF YOU WISH TO SPEAK TO CITY COUNCIL, **PRINT** YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)	ADDRESS AND ZIP CODE	Email
✓ GIL FREY	12476 S.E. GUILFORD DR MILWAUKIE, OREGON 97222	BLENDA I @ AOL.COM

Parsons, Susan

From: Moore-Love, Karla
Sent: Wednesday, December 05, 2012 5:07 PM
To: Parsons, Susan
Subject: FW:

This is the email from Betsy regarding today's VMC.

KARLA MOORE-LOVE | COUNCIL CLERK
OFFICE OF THE CITY AUDITOR
503.823.4086

From: Ames, Betsy
Sent: Wednesday, December 05, 2012 10:57 AM
To: Parisot, Peter; Fish, Nick; Saltzman, Dan; Fritz, Amanda; Leonard, Randy; Adams, Sam
Cc: Kuhn, Hannah; Finn, Brendan; Oishi, Stuart; Bizeau, Tom; Ruiz, Amy; Graham, Jack; Gibson-Hartnett, Susan; Englander, Peter; Scott Andrews; Branam, Kimberly; Burchfield, Robert; Mansoor, Atha; 'Dina Alexander'; Moore-Love, Karla; Goward, Jr, Rich; Biery, Jonas
Subject: RE:

The Mayor's office is correcting one statement in the responses attached in the version that will be distributed at Council today - it does not change the substance of the responses.

OMF asked to correct one statement on page 5 of the attached ("*The Assessor's estimated value for these parcels is not consistently stated on the City's books, and may or may not accurately reflect the value of the properties in an arms length real property transaction.*"), since it may imply that the City has been inconsistent in the way we've reported the Rose Quarter land on the City's financial statement. That is not the case.

Assets are recorded on the City's books in accordance with accepted accounting standards (GAAP). Land assets are recorded at purchase price at the date of the purchase and in accordance with accounting standards are not adjusted for any market conditions. Properties in the Rose Quarter, owned by the City, have been consistently recorded on the City's books per these standards. The real market value of a property does not play into how it's recorded in our financial statements.

The new language being included in the document reads: "*The Assessor's estimated value for these parcels may or may not accurately reflect the value of the properties in an arms length real property transaction. (Note: The land is recorded on the City's books in accordance with accepted accounting standards (GAAP). Land assets are recorded at purchase price at the date of the purchase and per accounting standards are not adjusted for any market conditions.)*"

This is a minor item, but was important for us to correct for the record. If you have any questions about how assets are recorded, feel free to contact us.

Betsy Ames
Senior Policy Analyst

Office of Management and Finance
Office of the Chief Administrative Officer
503 823-4269

From: Parisot, Peter
Sent: Tuesday, December 04, 2012 6:37 PM
To: Fish, Nick; Saltzman, Dan; Fritz, Amanda; Leonard, Randy; Adams, Sam
Cc: Kuhn, Hannah; Finn, Brendan; Oishi, Stuart; Bizeau, Tom; Ruiz, Amy; Graham, Jack; Ames, Betsy; Gibson-Hartnett, Susan; Englander, Peter; Scott Andrews; Branam, Kimberly; Burchfield, Robert; Mansoor, Atha; 'Dina Alexander'
Subject:

Dear City Council and staff:

Attached please find the consolidated responses of OMF, PDC, PBOT and others to questions asked by council during the November 19, 2012 hearing on the VMC RDA and Option Agreement ordinances. The SFF projections and legal memo included herewith are the referenced attachments.

Please do not hesitate to contact me if you have further questions. Please be advised that staff and legal council will be on hand answer questions during tomorrow's hearing.

Thank you.

Peter

<< File: Consolidated Responses to Council Questions Regarding VMC .pdf >> << File: SFF projections - RDA scenario 11_28_12.pdf >> << File: Transfer of Benton Lot.pdf >>

Peter J. Parisot

Economic Development Director
Office of Mayor Sam Adams
1221 SW Fourth Avenue, Suite 340
Portland, OR 97204
P: (503) 823-4541
E: peter.parisot@portlandoregon.gov
T: @PeterParisot
F: facebook.com/PortlandMayorSamAdams
W: mayorsamadams.com

Mayor Sam Adams' [2011 Progress Report](#): Working towards a more healthy, prosperous, and equitable city.

Hear my
name

☐ Please consider the environment before printing this e-mail

Responses to City Council Questions from Nov 29, 2012 on VMC Items

Separating the Ordinances

- If Council were to take action on 1359 (RDA agreements) but not 1360 (Option Agreement), does the deal still stand?

Proceeding in this fashion presents significant difficulties as the Option Agreement was part of the package approved by the PDC Board on November 29, 2012 along with the conditional Operating Agreement and License Agreement and the back-up \$2 million re-prioritization of district energy resources included in the Project Funding Agreement.

The PDC Board approved the agreements based on the premise that PDC would be receiving title or development rights to certain properties. The Board would have to take action to approve a restructured deal and it is unlikely that the PDC Board would approve the two actions specific to the RDA ordinance without the Option Agreement ordinance.. Pairing the two agreements makes sense because:

(1) Redevelopment proceeds could be one of the resources used to provide working capital for VMC operations if PAM does not exercise its options in 2023 or 2028

(2) The PDC Board considers the transfer of property to be partly in compensation for the \$17.1 million grant to the VMC.

(3) PDC believes that redevelopment will not occur unless the property is transferred to the redevelopment agency.

(4) PDC is in the best position to expedite the development of sites in its control. Expedited redevelopment will lead to faster increases in assessed value that directly benefit partner taxing jurisdiction because the Oregon Convention Center URA is an Option 3 district.

(5) The City has traditionally not been in the role of real estate developer and does not have the expertise in putting together public-private development partnerships.

(6) The City will need to declare the property surplus to develop it in ways other than for City uses. Transferring to PDC will not require this process. Transfer of the property increases the probability of attracting private investment as it clearly establishes the City's redevelopment agency as the lead.

- What are the pluses and minuses of moving forward with the VMC renovation without the Option Agreement and Event Parking? Does it change the City's risk?

As previously stated, it is unlikely that the PDC Board will approve this transaction if the two agreements are separated. The two actions became "tied together" earlier this year as (1) PDC contemplated potentially taking over as operator for the VMC in 2023 as a means of providing the Hawks certainty about being able to play for 20 years, while providing the City with certainty about the potential costs of an operator 10 years hence; and (2) the Rose Quarter District Plan was incorporated into the Central City 2035 North/Northeast Quadrant Plan and moved forward for Council consideration.

At one point in the discussions, the land was considered as a potential backstop for additional investment if the Winterhawks did not fulfill their funding agreement, however, the VMC deal is now structured so that the City and PAM can reduce the scope of the project to meet the reduced budget of \$26.5 million if the last payment from the Hawks is not received.

It is prudent to include the Event Parking because this action reduces the City's risk to the Spectator Facilities Fund by producing a reserve against potential losses to the SFF as a result of redevelopment and thus lost parking revenue.

- What factors support the idea of requiring subsequent Council action to implement the Event Parking District?

Subsequent Council action on the Event Parking District will allow more time to fine-tune the proposal. The Event Parking District was proposed as a means to have attendees at RQ events contribute toward making up the losses that could arise from loss of parking revenue from the Benton Block and loss of revenues from events that might no longer be able to be accommodated at the VMC in the event that the property was redeveloped. Please note that no development on the Benton Block can occur for five years without the consent from both the City and PAM.

Event Parking District

- How would the Event Parking District treat Oregon Convention Center events? Would it include some, any OCC events?

The Rose Quarter Event Parking District only applies to events at venues within the Rose Quarter. Thus the intent is that it does not apply to events held at the OCC.

- How would the Event Parking District effect parking in the surrounding neighborhood/industrial area and at Portland Public Schools (PPS) Blanchard facility?

The city streets adjacent to the Portland Public Schools 'Blanchard Site' are not metered at this time. On weekdays parking on these streets is typically used by employees of the area. Creating an Event Parking District for the Rose Quarter will likely increase parking demand for these 'free' on-street parking areas during event times. However, competition between uses for this parking would only occur if there is overlap between event times and Blanchard site activities, and this circumstance is likely to be infrequent.

- What happens to the surplus revenue from the Event Parking District not needed to reimburse SFF? Does Council control what happens with the excess or does it automatically go to a specified purpose?

Net meter Revenue from the Lloyd Meter District is shared between the City (PBOT) and the Lloyd District. When the Lloyd Meter district was established, the City agreed to allocate

51% of net meter revenue for priority use in the District. Funds allocated to the District must be used for transportation projects and programs that benefit the district. Funding priorities for the District are recommended by the Lloyd Meter Revenue Allocation Committee.

The City share of revenue would be used to fund the Parking Revenue Reserve. If there is any surplus revenue, it would go to the General Transportation Fund where it is allocated for use on transportation and parking services through the City's budget process.

PDC has an interest that a portion of the incremental revenues are directed towards a reserve that can help offset temporary reductions in SFF revenues during construction of an East West Garage development, for example, or possible permanent reduction in revenues that may result in a Benton Lot redevelopment, the increased property tax benefits of which would go directly to the General Fund. There is a range of projected proceeds from this initiative. Thus, the sooner this is addressed, the more benefits can result in SFF reserves.

- *Is it possible for PPS, and other nearby (non-profit) establishments to sell event parking similar to Eugene?*

This will have to be analyzed on a case-by-case basis, given the provisions under the Central City Plan District (Zoning Code Chapter 33.510.261). For example, as it applies to PPS's Blanchard site, existing parking spaces at the Blanchard Site could be used for event parking, with some limitations depending on how we define what the existing use of the Blanchard Site to be. The Blanchard site is either a "headquarter office" or "nonconforming office use." Determining the legal use would require extensive research of building permit and land use history records, which has not been completed. Regardless of the use classification, event parking would be allowed at minimum in the existing parking facilities on the Blanchard site outside of weekday hours between 7 am and 6 pm.

- *Are the private lots near the Rose Quarter allowed under the Zoning Code to offer commercial parking? If not, could we allow them to do so, with a portion coming back to the City?*

Private lots near the Rose Quarter may be allowed to offer commercial parking under the zoning code based on a couple of conditions. The regulations for existing parking in Lloyd District parking sector state if the parking existed as of 1/8/96, and was accessory to either an office use or accessory to uses other than office, residential or hotel, the parking is considered "Growth Parking" for purposes of the Central City parking regulations (33.510.264.A.2c and 3.c). As "Growth Parking," if such parking was accessory to an office use, the parking can be operated as either accessory (to the office use) or as commercial parking at all times (33.510.265.A.2.c). If such parking was accessory to uses other than office, the parking must be operated as accessory (to the non-office use) on weekdays between the hours of 7 am - 6 pm (33.510.265.A.3.c). Outside these hours, the parking may be used as commercial parking.

If the existing parking on the site is associated with mixed office and other uses, the existing parking may or may not be able to be used outright for event parking. For mixed office and

other uses, if the number of existing parking spaces on the site exceeds a ratio of 2.0 spaces per 1,000 square feet of floor area, or has more than 60 spaces that are associated with a non-office use, a discretionary Central City Parking Review would likely be required in order to use those spaces for event parking (33.510.264.A.4.a-c). If the number of existing parking spaces on the site does not exceed a ratio of 2.0 spaces per 1,000 square feet of floor area, or has 60 or fewer spaces that are associated with a non-office use, the parking could be used as event parking at all times.

In situations where the use of existing parking for event parking was not allowed outright, a Central City Parking Review would be required, A Central City Parking Review if a Type III land use review that requires a hearing before the Hearings Officer. If the findings of the Central City Parking Review were to find that commercial/event parking was feasible for the site, there is the potential for a parking revenue-sharing agreement between the property owner and the City. This agreement, however, could be unique per the property owner's needs and interests. To require the property owner to share revenue with the City would essentially be a commercial parking tax.

- Would a traffic management system – addressing getting into and through the event district – be included with the Event Parking District?

There is a Traffic Management Plan in place for the Rose Quarter. The Event Parking District would complement the existing Plan.

Property Transfers

- How did the RQ land become City land – and not PDC land – in the first place?

Development of the Memorial Coliseum was a City project, pre-dating the existence of PDC. It was financed with a 1954 City bond measure. The deeds transferring this property show the City taking title directly from various individuals and trusts (and one parcel from the Oregon Highway Commission) between 1957 and 1961. Since that time, the Coliseum (land and improvements) has always been in the City's name.

PDC was designated as the lead agency for development of the "Oregon Arena" project (approx 1991-1995), with negotiation and construction oversight responsibilities for which PDC was compensated. PDC did not acquire any land or other assets during or as a result of that project.

- What is the estimated value of the land subject to transfer?

The Financial Impact Analysis prepared by OMF, Financial Planning contained the following information from Multnomah County Assessment and Taxation about the land included in the Option Agreement:

Fee Parcels:

Lot Description	Assessor's Estimate (\$ millions)			
	Land	Improv.	RMV	Acres
Benton Block R156125	\$2.00	\$0.41	\$2.41	0.88
Wheeler Triangle R215959	\$0.19	\$0.23	\$0.42	0.10
Phase II Entertainment Complex R182161	\$0.90	\$0.00	\$0.90	0.44
Total	\$3.09	\$0.64	\$3.73	

Development Rights Parcels:

Lot Description	Assessor's Estimate (\$ millions)			
	Land	Improv.	RMV	Acres
Parking Garage Parcel R215950	\$10.22	\$12.23	\$22.45	4.56
VMC Parcel R215949	\$13.16	\$10.00	\$23.16	5.59
Plaza R215945	\$7.17	\$0.09	\$7.27	4.19
Total	\$30.55	\$22.32	\$52.88	

The only parcels which may be transferred in fee are the Benton Block (R156125), the Wheeler Triangle (R215959), and the Phase II Entertainment Complex (R182161). The City is retaining fee ownership over the remaining parcels. However, a professional appraisal or broker opinion would be needed to better understand the true value of these properties.

The Assessor's estimated value for these parcels may or may not accurately reflect the value of the properties in an arms length real property transaction. (Note: The land is recorded on the City's books in accordance with accepted accounting standards (GAAP). Land assets are recorded at purchase price at the date of the purchase and per accounting standards are not adjusted for any market conditions.)

- What options does the City have to develop this land and capture those funds for General Fund purposes as opposed to taking it out of the City's portfolio and making them available to PDC?

Through the prior transfer of development rights to PAM the City retained an active role in the discussions and decisions leading to a development proposal. Implementation of that proposal would have included negotiating an appropriate mechanism to convey the land and financial agreements. However, those rights were not exercised and expired.

Typically, the City develops property only for City needs and purposes (e.g. Water Bureau Interstate Ave facility; Emergency Communications Center, etc). PDC, as the City's development agency, pursues development projects that are not for City operational purposes but advance City goals and policies. The City and PDC have occasionally partnered in development of a building that combines City and non-City uses (e.g. 1900 Building). At this time, there are no plans to develop or acquire space for City purposes in the vicinity of the Rose Quarter.

While it is difficult to discuss this topic in generalities, under a “typical” scenario where the City determines property is surplus, it will usually be made available first to City bureaus for purchase at market value. If no City bureau chooses to acquire it, the property is marketed appropriately. Sometimes, the City will make a property available at less than market value, typically to non-profit organizations that fulfill City goals or policies (e.g. Southeast Uplift acquired their building for significantly less than market value) but these transfers are often restricted (e.g. future sale or encumbrance of the property) to assure the public’s interest is protected.

The use of proceeds of the sale of the property is also a somewhat complicated topic. Typically, the bureau and/or fund holding the property will influence the options available but within those limitations, Council has discretion to direct the use of the proceeds. If an enterprise or internal service fund is involved, the fund obligations will be the first factor to consider in the use of property sale proceeds (e.g. bond repayment). After that, the potential to reimburse fund contributors will be considered. Proceeds beyond those levels would be up to the discretion of Council as would be circumstances involving properties held by a General Fund bureau.

- If the City retained and developed the land, would that generate revenue into the General Fund that could be used for any purpose?

The Rose Quarter land is currently held by City of Portland-Spectator Facilities Fund, which is an enterprise fund. City Council would have discretion on the use of the sales proceeds not needed to support obligations of the SFF. Additionally, the East/West Parking Garages were financed by outstanding bonds that are scheduled to mature on June 1, 2017. Any sale or change in use of the Parking Garage Parcel prior to that date would require additional due diligence and would be accompanied by conditions to ensure compliance with existing bond covenants.

- Does the Council need to declare this property surplus in order to approve the Option Agreement?

No; in a memo to the Mayor’s staff dated October 29, 2012, City Attorney James Van Dyke indicates that the Benton Lot can be transferred to PDC without a declaration that it is “not needed for public use.” He goes on to explain the relevant City Charter section (1-104 – Alienability of Public Places and Property and Limitations Thereon), Oregon Revised Statutes and procedural requirements to achieve a transfer under these circumstances. A copy of the City Attorney’s memo is attached.

- Can PDC sell the land after it has possession?

Yes, with some restrictions, the Option Agreement allows PDC full control of the future use of the property including transfer or sale to a third party.

Urban Renewal Funds

- If the renovation project doesn't go forward, what happens to the urban renewal funds allocated for this project? What were the conditions under which the bonds were sold and does that limit our options moving forward?

The final date to issue OCC URA debt was June 30, 2013. OCC URA Bonds were issued in May 2012 so that the City/PDC could benefit from a borrowing market that provided favorable interest rates and eliminated the requirement for a bond reserve. Elimination of the bond reserve requirement allowed approximately \$4.7MM in additional TIF funding resources to become available for expenditure on TIF-eligible projects in the OCC URA (including RQ/VMC redevelopment) in the current fiscal year. An additional benefit of issuing the Bonds in May 2012 was that providing an "up front" funding source allowed VMC negotiations to advance by eliminating a then-requirement for a City line of credit to support the VMC redevelopment project.

If Bond proceeds are not applied towards the VMC redevelopment project, those proceeds could be allocated towards other eligible projects in the OCC UR Plan. If no such projects are identified, the Bond proceeds must be used to pay debt service on the outstanding Bonds.

With the assumption that the resources would be redirected to other redevelopment opportunities in the Oregon Convention Center URA, the following is a list of possible projects/programs:

- *Convention Center Hotel*
 - *Redevelopment of properties owned by PDC but not incorporated into a Convention Center Hotel project, as it is likely that some portion of the PDC-owned land would not be part of the Hotel. PDC owns Blocks 49 (vacant), 43 (Inn at the Convention Center) and 26 (OCC Plaza).*
 - *Redevelopment at the Rose Quarter – PDC is still interested in the Option Agreement and would pursue redevelopment regardless. However, PDC's option period may require extension as uncertainty about the future of the VMC would reinsert unknowns into the Rose Quarter's future.*
 - *District Energy – if VMC doesn't move forward, PDC is still committed to implement a district energy system.*
 - *Other Lloyd Eco-District initiatives including commercial energy retro-fits to improve the performance of existing buildings.*
 - *Programs that support the Economic Development strategy including loans to cluster or traded-sector high-growth industries or real estate projects that directly benefit those same industries.*
- Moving into the future, how will urban renewal funds collected in area be used to benefit the district in ways specific to the businesses and people who live there and not just for the wider community?

A Community Benefits Framework developed during this process is attached as an exhibit to the Option Agreement. It covers issues such as: construction contracting and workforce returns, local business returns and other economic and sustainability returns.

The renovation of VMC benefits many community groups regionally that utilize the facility. Though these events don't necessarily bring additional profits to the building operations, visitors to and participants in these events, such as OSAA events, stay at hotels in the district and eat at local restaurants. It is expected that a renovated VMC will bolster the businesses that currently rely on all event business at the Rose Quarter. It is also hoped that this renovation will result in the first phase of a district-wide energy system that would benefit all connected buildings as the system scales up.

Implementation of the announced project will build on other announced projects such as the Lloyd 700 Superblock, resulting in stronger utilization of this well-located and accessible district within the Central City.

It is also expected that the VMC renovation and further Rose Quarter development will stimulate redevelopment to the north and west, including properties north of Broadway including Blanchard. Further development and economic development activity will more fully leverage the public investment made to date, include the recent Streetcar addition and the regional light rail lines which all pass through the district.

Spectator Facilities Fund

- What are the projections for the Spectator Facilities Fund?

The attached projections indicate the estimated annual ending fund balance in the Spectator Facilities Fund based upon historical performance of the Fund and OMF's current expectations regarding revenues and expenditures. The revenue projections were recently adjusted downward to reflect the current year trends, which are approximately 15% below prior revenue projections, and are being driven by reduced attendance at Blazers' games.

The projections reflect anticipated impacts of the proposed RDA, but do not include speculative impacts that could result from implementation of the proposed Option Agreement. The SFF balance is projected to remain significantly below the targeted minimum fund balance (to a low of approximately \$400K in FY2016-17); however, unanticipated revenue increases, or decreases in projected operating losses, could help reduce the risk of a low SFF balance.

OMF's direct control over many of the factors that contribute to the SFF's health is very limited. Market and economic conditions, team performance and operating costs are largely outside of the City's control but are significant drivers in whether the fund's reserve remains positive.

- How will the new professional women's soccer team impact the SFF?

Estimating the net revenues for new events is difficult for a number of reasons. First, the sources of revenue vary depending on the facility. The SFF receives revenue from user fees at the Rose Garden, VMC and JELD-WEN Field. For Rose Quarter facilities, the SFF also receives parking revenues from the City owned garages and Benton Lot. For the Veterans Memorial Coliseum, the SFF can also receive a portion of Net Operating Profits (NOP). Whether any given event increases NOP depends on factors such as the rent, concessions and event costs. In some cases, discounts or other cost concessions are agreed to in order to "land" the event with the assumption that ancillary revenue through spending on travel, entertainment and food will benefit the City's revenue streams in other ways.

Projecting the impact on the SFF from the new professional women's soccer team is difficult at this point because many of the details, such as the number of home games, the venue for those games and expected ticket price, have not been established. Based on the information currently available, OMF is assuming that only a portion of the games will be played at JELD-WEN Field; the others will be played at the University of Portland. Using an assumed average ticket price of around \$20 and assumed ticket sales of 3,000-5,000 per game, would provide estimated net annual revenue of approximately \$35,000. This would continue for next five years under the existing operation agreement and could increase during that time depending on various factors.

Miscellaneous

- Is it still possible to complete renovation deal in light of Western Hockey League sanctions against the Portland Winterhawks? Concerns about both the time available for decision-making and potential impacts to the team's financial situation were raised.

From OMF's perspective, execution of the RDA is possible despite the sanctions that are currently under review. The RDA (and associated Project Funding Agreement) lays out that the Project scope would be reduced if the Portland Winterhawks were unable to meet their funding obligation for any reason. PDC, however, is not currently willing to proceed with the Project Funding Agreement if the Winterhawks do not fulfill any part of their ten million dollar obligation. If the Winterhawks fulfill their funding but the sanctions remain, this would increase the risk, but PDC may be willing to proceed if the other signatories to the RDA are comfortable with this situation.

- Can City maximize the % for Art going to the Memorial Garden restoration by waiving the RACC administrative portion?

The Percent for Art funds can be spent on art located in the memorial gardens. However, renovation or restoration of the memorial garden elements (landscaping, fountain, seating, etc) would not qualify for the use of these funds. With regard to RACC's administration fees, these funds are governed by 5.74.040 of the City Code which specifically designates how the percent for art funds must be allocated:

1. 63 percent shall be used by the Regional Arts & Culture Council for costs associated with Public Art including, but not limited to the acquisition, fabrication, and installation of Public Art.

2. 27 percent shall be used by the Regional Arts & Culture Council for costs associated with Public Art, including, but not limited to costs of selection, project management, community education and registration of Public Art.

3. 10 percent shall be used by the Regional Arts & Culture Council for the maintenance, conservation and deaccessioning of Public Art.

Consequently, in order to reduce or waive the RACC administrative fee, Council would have to waive these requirements.

- Why would PDC be the fall back operator and not some other entity such as MERC?

MERC has managed the VMC in the past and could be a future operator. The parties chose not to approach MERC at this time given the timing of the VMC renovation project and the complications of bringing in a fifth project partner; the timing of when an alternate operator would potentially be needed (in 2023); and the requirement that a potential operator be willing to negotiate the terms of the Sublicense with the Hawks for 2023-33 at this time. PDC was willing to consider agreeing to the City/PDC OA and was willing to negotiate with the Winterhawks, despite the conditional nature of the agreements and the time horizon.

In the event that PAM does not continue as the operator in 2023, PDC could under the City/PDC OA determine that MERC would be the best choice for an operator at that time. We anticipate that if PDC takes over operational responsibility for the VMC that they would likely conduct an RFP process to get a professional operator for the facility, and MERC could participate in that process.

- Why are we moving away from the City's green building standards for the renovation project? Can that be quantified in financial terms?

Information obtained earlier this year indicated additional costs in excess of \$800,000 would be required to achieve LEED Gold, the City's Green Building standard. These costs were derived from the Schematic Design estimates from February, 2012. It was believed that the balance of public and private investment and the balance between needed building systems upgrades (mechanical, electrical, plumbing) and upgrades visible to visitors such as seats, scoreboard, concessions and an expanded ice floor was already utilizing significant private investment for basic building improvements.

- What has this process revealed to Mr. Andrews in light of PDC's evolution and need to find new revenue sources to support its economic development work?

Chair Andrews stated that he would be happy to address these matters at a future date.

Spectator Fund Cash Flow Projection
\$31.5MM VMC Redevelopment Project (excluding impacts of proposed Option Agreements)
 Estimated as of November 28, 2012

	1	2	3	4	5	6	7
Fiscal Year	Net Income Before D/S & Capital (1)	Existing Debt Service	VMC Operating Loss Responsibility (2)	Major Capital Expenses (3)	\$4,400,000 PDC Loan Repayment (4)	Income After Debt & Capital	Projected Year-End Fund Balance (5) (6)
2012.13	4,402,273	5,329,487	200,000	50,000	-	(1,177,214)	5,733,211
2013.14	4,315,690	5,460,725	200,000	-	-	(1,345,035)	4,388,176
2014.15	4,643,471	5,638,125	200,000	500,000	-	(1,694,654)	2,693,522
2015.16	4,768,893	5,824,350	200,000	-	-	(1,255,458)	1,438,064
2016.17	4,892,362	3,988,495	200,000	1,800,000	-	(1,096,133)	341,931
2017.18	3,573,642	2,106,155	200,000	700,000	337,969	229,518	571,449
2018.19	3,665,407	2,174,182	200,000	-	337,969	953,257	1,524,706
2019.20	3,755,155	2,244,929	200,000	-	337,969	972,257	2,496,963
2020.21	3,837,822	2,318,507	200,000	-	337,969	981,346	3,478,309
2021.22	3,923,343	2,395,028	200,000	-	337,969	990,346	4,468,655
2022.23	4,006,651	2,474,609	200,000	-	337,969	994,073	5,462,728
2023.24	4,103,656	3,260,488	250,000	-	337,969	255,200	5,717,928
2024.25	4,179,159	3,262,700	250,000	800,000	337,969	(471,510)	5,246,418
2025.26	4,252,199	3,261,825	250,000	-	337,969	402,406	5,648,824
2026.27	4,322,701	3,260,250	250,000	-	337,969	474,483	6,123,307
2027.28	4,390,585	-	250,000	-	337,969	3,802,616	9,925,923
2028.29	4,450,768	-	250,000	-	337,969	3,862,800	13,788,723
2029.30	4,508,167	-	250,000	-	337,969	3,920,199	17,708,922
2030.31	4,562,694	-	250,000	-	337,969	3,974,726	21,683,647
2031.32	4,614,260	-	250,000	900,000	337,969	3,126,292	24,809,939
2032.33	4,662,772	-	250,000	-	-	4,412,772	29,222,710

(1) Includes Rose Quarter and JELD-WEN Field revenues and parking revenues from City-owned Rose Quarter garages. Reflects adjusted revenue projections resulting from reduced revenues for 2012-13 NBA season through November 9, 2012. FY2013-14 Includes annual City contribution of \$250K (base-year) for VMC improvements as required per the City/PAM Operating Agreement.

(2) Assumes City is responsible for maximum \$200K operating loss in FY2012-13 through FY2022-23 and maximum operating loss of up to \$250K annually beginning in FY2023-24 under City/PAM OA.

(3) Includes known/required roof replacement at VMC and capital requirements (roof & turf) at JELD-WEN Field. All costs are estimated. Assumes no additional City capital investment at VMC, JWF or City-owned RQ parking garages.

(4) Assumes ice floor costs are paid as project expense.

(5) Projected FY2012-13 fund balance increased from versions prior to August 2012 due to higher-than-expected FY2011-12 ending fund balance. FY2011-12 balance increased primarily due to the following one-time events: receipt of legal settlement proceeds; decrease in interest payments due to early conversion of line of credit to long-term bonds; and withholding of certain VMC repair costs due to anticipated redevelopment project.

(6) GREEN highlights reflect years in which the projected fund balance is lower than the targeted minimum fund balance. No resources for additional capital expenditures are expected to be available in these years. Years highlighted in YELLOW are considered to be at high risk for requiring General Fund support. Does not reflect any potential cost increases due to implementation of District Energy or City Directed wages.



CITY OF
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October 29, 2012

INTEROFFICE MEMORANDUM

TO: Peter Parisot
Economic Development Director
Office of Mayor Sam Adams

FROM: James H. Van Dyke *JVD*
City Attorney

SUBJECT: Transfer of Benton Lot

Question: May the Benton Lot be transferred to PDC without a declaration that it is "not needed for public use"?

Answer: Yes, see Discussion.

Discussion

The City proposes to transfer ownership of a piece of real property known as the "Benton Lot" to the Portland Development Commission (PDC) as part of a more complex transaction involving the Veterans' Memorial Coliseum. I am informed that ownership of the Benton Lot is currently held in the name of the City of Portland. A question has arisen whether the City must declare the Lot "not needed for public use" as required by City Charter § 1-104.

City Charter § 1-104 ("Alienability of Public Places and Property and Limitations Thereon") provides, in relevant part:

The City of Portland may not divest itself of title it has or may acquire in any * * * park or public place, or like property that it may now own or hereafter may acquire, except as set forth in this Charter or provided by statute.

* * *

The City may sell, dispose of or exchange any buildings, structures or property, real or personal, which it owns or may acquire not needed for public use.¹ Favorable vote of at least four-fifths of all members of the Council shall be necessary for any ordinance authorizing such sale, disposal or exchange. (Emphasis added.)

Under this provision the City must follow the procedures outlined in City Charter § 1-104 or state law if the City is going to “divest itself of title.” The question is whether the transfer of the Benton Lot from the City to PDC divests the City of title.

The Charter provides the following in regard to PDC. Charter § 15-101 provides: There is an agency of the City of Portland known as the “Portland Development Commission.” In addition, Charter § 15-104(5) provides: “All property acquired [by PDC] shall be acquired in the name of the City of Portland.”

Because the Benton Lot is currently held in the name of the City of Portland and because after the transfer to PDC the property will be held in the name of the City of Portland, the City will not “divest itself of title” by transferring ownership of the property from the City to PDC. Because the City is not divesting itself of title by transferring the Benton Lot to PDC the procedures in Charter § 1-104 are not applicable. For the same reason, a declaration that the property is “not needed for public use” is not required. In essence the City is simply transferring management of the Benton Lot from one agency of the City to another.

I have been informed that this interpretation of Charter § 1-104 may not be consistent with past practice or legal opinions of this office. I have checked our City Attorney opinion database, but have not been able confirm that this office’s opinions have been different in the past.

It is, of course, possible that past practice has been different. Nonetheless I understand that title to property owned by PDC has always stated “the City of Portland, by and through the Portland Development Commission.” I recommend that this practice continue and that title be altered to show PDC’s control of the property in order to assist future dispositions of the property.

In any event, if there has been a change from past practice, the fact that the City has changed course may constitute a legal risk of which you should be aware. That risk likely would arise, if at all, if PDC transferred ownership of the Benton Lot to a third party and the

¹ The term “surplus” property is sometimes used in this situation. Technically, only “tangible personal property,” not real property, is defined by City Code as “surplus.” PCC 5.36.010A.1

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third party was concerned about whether it had valid title. Of course, if PDC did not think it was getting clear legal title then that is another risk of this approach.

To eliminate this particular risk, the City could go through the same process as when the City "sells property." As noted above, the City may divest itself of property either by following the Charter or as provided by statute. There are two statutes that permit the City to sell property. First, ORS 221.725 permits a sale of City property when "necessary or convenient." That statute has never been interpreted by a Court, however, and there is some risk that a Court could hold that this statute is "procedural" in nature, in that it concerns the method of sale, and not whether it is authorized.

Second, ORS 271.310 permits transfer whenever the property is "not needed for public use" OR "whenever the public interest may be furthered." However, ORS 271.330 says that if the property is transferred when not needed for public use by one government body to another government body the transferee must hold the property for 20 years. It may be that ORS 271.330 is not applicable here when the City sells the property because the public interest is being furthered. However, it is unclear whether the requirement to hold the property for 20 years applies when the City declares that the "public interest may be furthered." Thus, this approach also presents some risk.

It could be argued that Charter § 1-104 is ambiguous in regard to the transfer of property, particularly since PDC often holds itself out as an independent agency and requires the City to execute Intergovernmental Agreements (IGAs) with the City, a practice usually followed by separate public agencies. In my view, IGAs with PDC are not legally required; this is just a formality that typically has been requested by PDC. This formality at least has the benefit of making sure that both parties are clear as to the terms of any deal.

Nonetheless, the City could enter other kinds of agreements with PDC, including interagency agreements, that are commonly executed between units of the City. Even if Charter § 1-104 is ambiguous, I note that Charter § 3-201 of the Charter provides that limitations in the Charter apply "only as its language explicitly and necessarily requires." The limitation on the transfer of property only applies when the City is "diverting" itself of title. The Charter, which requires four Council votes when title is "divested," does not require four votes when title is not divested simply because PDC "acts" like an independent agency.

Finally, it has been suggested that a transfer to PDC permits the Council to avoid the requirements of four votes. In other words, a transfer to a third party could be made with only three Council votes provided the property was first sent to PDC. That may or may not be true; I have not researched that issue. If so, it only applies in the limited case of a transfer to PDC, because only PDC holds property "in the name of the City." But even if it is true, the Charter appears to permit it. In interpreting the Charter, the general rule of construction

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is not to insert what has been omitted or omit what has been inserted. In other words, I cannot read the Charter to say other than what its provisions require or permit, even if the result may not be what might be desired.

As you can see, all of the methods I have outlined above present some legal risk. It appears to me, however, that the interpretation that Charter § 1-104 is inapplicable to a transfer of the Benton Lot to PDC is not only defensible and sound, but presents the least legal risk in this circumstance.

Please let me know if you have additional questions.

JVD/ks



PDC

**PORTLAND
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Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Betsy Ames		2. Telephone No. 503-823-4269	3. Bureau/Office/Dept. OMF
4a. To be filed (date): November 19, 2012	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: November 19, 2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Approve agreements among the City of Portland and one or more of, the Portland Development Commission, Rip City Management LLC, d/b/a Portland Arena Management, and Portland Winterhawks, Inc. for the renovation and operation of the Veterans Memorial Coliseum for use by the Portland Winterhawks hockey team and for other events, uses and activities. (Ordinance)

2) Purpose of the Proposed Legislation:

The City of Portland (City) through the Office of Management and Finance (OMF), the Portland Development Commission (PDC), Portland Arena Management (PAM) and the Portland Winterhawks (PWH) have been negotiating a Redevelopment Agreement (RDA) and associated agreements for the renovation of the Veterans Memorial Coliseum (VMC). The City owns the VMC (and other property in the Rose Quarter) and PAM operates the VMC under an Operating Agreement with the City (City/PAM OA), which will be renewed for another ten years with the closing of the RDA.

The VMC is the home venue for the PWH. As a condition to providing \$10 million to the renovation project, PWH required the right to play in the VMC for 20 years. In order to accommodate this request, PDC offered to enter into a Conditional Operating Agreement with the City (City/PDC OA) for the second 10 years.

The agreements being approved via this ordinance include the following:

- Redevelopment Agreement (RDA) to which the City, PAM and PWH are signatory and its exhibits specifically including Exhibit 2.6 –Project Funding Agreement (PFA) to which the City, PDC, PAM, PWH, and Funding Agent are signatory, and Exhibit 2.8 - Revenue Sharing Agreement (RSA) to which the City and PWH are signatory (2013-2023);

- Second Amendment To Coliseum Operating Agreement (2nd Amendment City/PAM OA) to which the City and PAM are signatory (for 2013-23 with Additional Extension Options to 2023-33);
- Veterans Memorial Coliseum Conditional Operating Agreement (City/PDC OA) to which the City, and PDC are signatory (2023-33);
- Assignment of Architect Agreement to which the City, PAM and PDC are signatory; and
- Amended and Restated Intergovernmental Agreement (A&R IGA) between the City and PDC.

Separately, both PDC and PAM are agreeing to License Agreements for PWH to play at the VMC.

In addition to approving the RDA and its associated agreements, City Council is also considering in a separate ordinance, an Option Agreement between the City of Portland by and through the Office of Management and Finance, the City of Portland by and through the Portland Development Commission and PAM to transfer certain land and property development rights in the Rose Quarter District. As part of that ordinance, Council is also being asked to authorize the establishment of a Rose Quarter Event Parking District to provide enhanced revenues to offset potential revenue losses of the Spectator Facilities Fund (SFF) from development of some of these parcels.

The City has negotiated terms to accommodate the PWH needs which have increased the potential risk to the Spectator Facilities Fund and the General Fund. The fiscal impact of the two actions Council may take are described separately but must be considered in the aggregate to understand the potential cumulative impacts on the Spectator Facilities Fund and the potential risks for the General Fund.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input checked="" type="checkbox"/> Central City | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

See below.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)*

Background re: Spectator Facilities Fund

The City aims to maintain an operating reserve for the Spectator Facilities Fund to protect the General Fund from having to cover fund expenses. The Operating Reserve is sized to cover one year of NBA Blazer revenues (approximately \$3.5 million in FY2010-11, the most recently completed full NBA season) and the City's share of PGE Park/JELD-WEN Field debt (\$1.85 million in FY2012-13 and increasing annually through FY2026-27). As has been described in briefings in August, projections have shown that the SFF would drop below the desired Operating Reserve amounts for several years placing a moderate amount of risk on the SFF. During a few critical years (FY 2016-17 and 2017-18) the year-end fund balance was previously projected to drop low enough (under \$2 million) to characterize the risk to the GF as "significant".

OMF has previously and repeatedly communicated the financial risks inherent in the Spectator Facilities Fund due to factors both within and outside of the City's control. User fees and parking fees generated by Trailblazer attendance are the most significant sources of revenue to the SFF – but are not within the City's control.

Changes since August 2012 in Factors Outside of the City's Control

In October 2012 (based on changed assumptions about the VMC deal and assuming "back-to-normal" Trailblazer revenues), OMF projected that a 5-year decrease in Trailblazer revenues of approximately 8.5% would produce a SFF balance of zero or lower, requiring General Fund contributions to maintain the SFF. As a result of the October analysis, and in light of continuing negotiations on the VMC redevelopment that increased pressure on the SFF, OMF communicated at that time that the SFF was at significant risk of losing its "self-supporting" capacity.

In early November, the City received data indicating that Trailblazer season ticket sales and parking revenues through the first few games of the 2012-13 season are both down approximately 15% as compared to prior City expectations. On November 12, the Trailblazers ended a streak of 195 consecutive sold out games, providing further indication of likely decreased near-term revenue potential. As such, OMF has adjusted the SFF projections to reflect current realities including 15% reductions in Trailblazer revenue assumptions for FY2012-13 and a five-year adjustment to return to historical Trailblazer revenue norms thereafter. Under the revised projections, the SFF balance is projected to drop below \$400,000 in FY2016-17, with limited opportunity for slow recovery.

In the event that any of the following events occur over the next seven years, the SFF has a high probability of requiring General Fund support to meet ongoing obligations related to outstanding City debt and operational/capital responsibilities at VMC and JELD-WEN FIELD:

- Reduced Trailblazer revenues (user fees / parking)
- Reduced PWH revenues (user fees / parking)
- Reduced revenues from other Rose Garden Arena/VMC events (user fees / parking)
- Reduced parking revenues (either permanent or temporary) from potential redevelopment around the VMC

- Increased repair/capital requirements (beyond current expectations) at VMC, JELD-WEN Field or City-owned parking garages at the Rose Quarter
- Unforeseen environmental costs or other City expenditures.

Changes since August 2012 as a Result of VMC Negotiations

Many of the changes to the proposed VMC redevelopment and associated agreements since late-August have placed additional strain on the SFF to the point that the current agreement threatens the self-sustaining nature of the fund. A few key elements include:

- Agreements that the City will cover a portion of any annual net operating loss (NOL) at the VMC that are projected to cost the fund up to \$2.0 million in the first 10 years and as much as \$2.5 million in the second 10 years.
- Potential annual loss of revenue to the SFF due to development of the Benton Block estimated at \$180-190,000. PDC is proposing covering a portion of these losses from revenues that can be generated by establishing an Event Parking District, but it is unclear if these revenues will materialize or be adequate to cover the losses.
- Many aspects of the proposed acquisition of the Parking Garage Parcel have not been fully vetted and the potential impact to the SFF is not calculable at this time.

Without removing some of the obligations on the Spectator Facilities Fund, projections show that there is significant risk that an unexpected reduction in revenue or an unanticipated expenditure could require General Fund revenues to cover SFF shortfalls.

Summary of Financial Impacts of Agreements

Redevelopment Agreement (RDA) and Project Funding Agreement (PFA) and Amended and Restated IGA

Under these agreements PDC is committing \$17.1 million as a grant to the project, the City is contributing \$4.4 million (a loan to the SFF to be repaid to PDC in 2018-2033), and PWH is contributing \$10 million to the redevelopment of the VMC. PAM is providing in-kind services through managing the renovation project at no additional cost to the City.

The PDC Loan of \$4.4 million to the Spectator Facilities Fund (SFF) will require repayment over the next twenty years. The loan repayments are structured to start in 2017-18 after the SFF is expected to be past the most challenging years for the fund when some of the other debt covered by the SFF will be retired. Loan repayments will be approximately \$338,000 per year for fifteen years – an increased obligation to the SFF that was not originally anticipated. The loan replaces funding that the parties had originally thought could be acquired through a proposed historic tax credit deal that proved challenging and uncertain. *Loan repayment over the next 20 years totals over \$5 million with interest.*

Second Amendment To Coliseum Operating Agreement (2nd Amendment City/PAM OA) and Veterans Memorial Coliseum Conditional Operating Agreement (City/PDC OA)

Repair and Maintenance: Under these agreements the SFF is committed to annual expenditures

for “Repairs, Capital Improvements, or other increased Operating Expenses arising out of deferred Capital Improvements or deferred Structural Repairs” (\$250,000 as escalated for 2013-2023 and ~\$375,000 as escalated for 2023-33). These amounts are less than or similar to the historic expenditures at VMC for repairs. However, the revised agreements contractually obligate the SFF to make these funds available as needed. The investment is prudent given the City’s commitment to keeping the facility open and the investment of public funds into the redevelopment project. *The continued investment in the building could cost the SFF up to ~\$3 million from 2013-23; and over \$4 million in the following ten years.*

Share of Net Operating Losses – 2013-23: Previously, PAM has been responsible for all Net Operating Losses (NOL) at the VMC. The City of Portland and the SFF have not had any obligation to cover these losses. In order to get a ten year agreement from PAM to continue to operate for the next ten years, the City and PAM agreed to share the NOL, dollar for dollar up to \$200,000 each per year in the first ten year term; PAM will be responsible for all losses above \$400,000 in a year. Both the City and PAM will be entitled to recover the NOL out of subsequent years’ Net Operating Profits (NOP). *While it is the intent of all parties to avoid losses, the SFF is potentially at risk for covering up to \$2 million in losses over the period 2013-23.*

Share of Net Operating Losses – 2023-33: Under both the City/PAM OA (if PAM exercises its right to extend to 2023-28 and 2028-33) and the City/PDC Conditional OA (if PAM does not elect to continue as operator); the City would be responsible for up to \$250,000 of shared NOL, with a higher level of risk under the City/PDC OA, as the City would be responsible for 50% on a dollar for dollar basis with PAM and PWH up to a shared loss of \$500,000 (above which PAM would be responsible); vs. the City/PDC agreement which would require the City and PWH to cover 50% of losses up \$250,000 (\$125,000 each), the City covering 100% of the next \$125,000 of losses, and PDC covering losses above \$375,000 per year. Under the City/PAM OA, the City could recover these losses; under the City/PDC OA, the City could not. In addition, due to the economies of scale that PAM can provide in sharing of personnel and equipment between the Rose Garden Arena and the VMC, the City believes that potential losses will be greater with a change in operator from PAM. *While it is the intent of all parties to avoid losses, the SFF is potentially at risk for covering up to \$2.5 million in losses over the period 2023-33.*

Revenue Sharing Agreement (RSA)

This agreement shares the “upside” for increased VMC activities with the Winterhawks in the first ten years in return for their investment in the project. The City and the Winterhawks agreed in November 2011 to a set of “baselines” for anticipated user fees and parking revenues. The City receives 6% of the price of tickets for events at the VMC and Rose Garden and receives all of the parking revenue for the parking garages and the Benton Lot. The Revenue Sharing Agreement provides the Winterhawks with 100% of the increase above the baseline for User Fees collected for Winterhawks’ games at either the VMC or the RGA; and 50% of the increase in user fees above the baseline for “Other Events”. The agreement also provides them a share of increased parking revenues based on an agreed upon formula. In addition, the City will share a portion of its share of the Net Operating Profits with PWH. The City is assured that it will receive all of the amounts collected below the baseline, but will share a majority of the increase above the baseline with the Winterhawks. *While this is revenue that the City won’t receive,*

arguably, without the PWH contribution, PWH is contributing to the extended life of the VMC, allowing for a flow of user and parking fees from VMC events that would not be realized if the VMC was closed. The City will receive 50% of User Fees above the baseline – which could exceed \$25-50,000 per year over the first ten years according to some projections.

After the ten year period is complete, certain terms of the RSA will be continued to the benefit of either PAM or PDC. These agreements were necessary in order to allow for a twenty year commitment to PWH to be able to play at the VMC in return for their \$10 million contribution.

The City and the SFF will not realize much “upside” over the next twenty years from operations of the VMC, but will have a revitalized community asset.

It is also prudent to note that several significant agreements, including the Trailblazers agreement to play in Portland at the Rose Quarter terminate in 2025. At that point, the revenue picture for the SFF becomes even more unclear. For this reason, OMF has consistently argued for a set of agreements covering a 10 year period.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*
- **Will positions be created or eliminated in future years as a result of this legislation?**

No change in staffing requirements result from this action.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate “new” in Fund Center column if new center needs to be created. Use additional space if needed.)*

Any changes required to the budget for implementation of these agreements will be made in the Winter Bump Process.

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

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☐ **YES:** Please proceed to Question #9.

☒ **NO:** Please, explain why below; and proceed to Question #10.

No specific public participation was conducted in drafting the RDA and related agreements. However, significant public involvement was included in the processes to determine desired future development and redevelopment in the Rose Quarter and use of the Veterans Memorial Coliseum.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

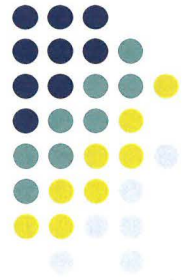
10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

The stakeholders from the prior public involvement processes will be kept informed on project progress and engaged as appropriate for input on limited decisions.

Jack D. Graham, CAO

BUREAU DIRECTOR (Typed name and signature)

Participants and Acronyms



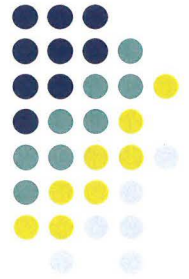
- Participants:
 - Mayor's Office
 - Office of Management and Finance (City - OMF)
 - Portland Development Commission (PDC)
 - Portland Arena Management (PAM)
 - Portland Winterhawks (PWH)
 - Portland Bureau of Transportation (PBOT)
 - City Attorney's Office
 - Radler White Parks & Alexander LLP

Participants and Acronyms



- Acronyms:
 - Veterans Memorial Coliseum (VMC)
 - Redevelopment Agreement (RDA)
 - Project Funding Agreement (PFA)
 - Revenue Sharing Agreement (RSA)
 - Veterans Memorial Coliseum Operating Agreement between City and PAM (City/PAM OA)
 - Veterans Memorial Coliseum Operating Agreement between City and PDC (City/PDC OA)
 - Amended & Restated Intergovernmental Agreement between City and PDC (A&R IGA)
 - Spectator Facilities Fund (SFF)

Veterans Memorial Coliseum Renovation Project



Council Action Items:

EXHIBIT A:

RDA Redevelopment Agreement *PAM, PWH, City*
PFA Project Funding Agreement *PAM, PWH, PDC, City, US Bank*
RSA Revenue Sharing Agreement *City, PWH*

EXHIBIT B:

City/PAM OA 2nd Amendment to Operating Agreement *City, PAM*

EXHIBIT C:

City/PDC OA Conditional; only effective if PAM doesn't continue as VMC operator *City, PDC*

EXHIBIT D:

Amended & Restated IGA \$17.1M urban renewal funding, \$4.4M loan and project development *PDC, City*

EXHIBIT E:

Architect Services Assignment *City, PAM, PDC*

Related Items; No Council Action Needed:

PAM/PWH

Sublicense to play at VMC *PAM, PWH*

PDC/PWH

Sublicense In the event that PDC becomes the operator *PDC, PWH*

Scoreboard

Agreement for use by non-Hawks users *City, PWH*

Option Agreement and Rose Quarter Event Parking District



Council Action

Option Agreement – OMF/PDC

Allows for transfer of fee title or ground lease of Rose Quarter properties from City-OMF Spectator Facilities to City-PDC *City-OMF, City-PDC*

Parking District “Event Pricing” and Parking Meter Revenue Sharing

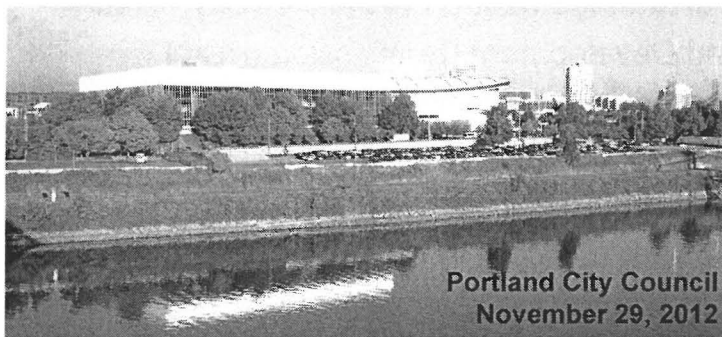
Provides replacement revenue to Spectator Facilities Fund for loss of income due to Rose Quarter development *City-PBOT, City-OMF, City-PDC*

Future Council Action

Option Agreement – PBOT/PDC

Allows for transfer of right-of-way of City-PBOT controlled property to City-PDC *City-PBOT, City-PDC*

Veterans Memorial Coliseum Renovation and Rose Quarter Redevelopment



Council Process

- November 29, 2012:
 - Presentations
 - Public Testimony
 - Council Discussion and Direction
- December 5, 2012:
 - Public/Stakeholder Testimony
 - Council Discussion
- December 12, 2012:
 - Presentation/Q&A (as needed)
 - Second Reading

Participants and Acronyms

- Participants:
 - Mayor's Office
 - Office of Management and Finance (City - OMF)
 - Portland Development Commission (PDC)
 - Portland Arena Management (PAM)
 - Portland Winterhawks (PWH)
 - Portland Bureau of Transportation (PBOT)
 - City Attorney's Office
 - Radler White Parks & Alexander LLP

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Participants and Acronyms

- Acronyms:
 - Veterans Memorial Coliseum (VMC)
 - Redevelopment Agreement (RDA)
 - Project Funding Agreement (PFA)
 - Revenue Sharing Agreement (RSA)
 - Veterans Memorial Coliseum Operating Agreement between City and PAM (City/PAM OA)
 - Veterans Memorial Coliseum Operating Agreement between City and PDC (City/PDC OA)
 - Amended & Restated Intergovernmental Agreement between City and PDC (A&R IGA)
 - Spectator Facilities Fund (SFF)

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Council Items

Veterans Memorial Coliseum Renovation

Ordinance 1359
approving multi-party
agreements associated
with renovation of
Veterans Memorial
Coliseum

Option Agreement & RQ Event Parking District

Ordinance 1360
approving option
agreement with Portland
Development
Commission for Rose
Quarter properties and
authorizing Rose Quarter
Event Parking District

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Background

- Memorial Coliseum opened Nov 3, 1961; home venue for the Portland Trail Blazers 1970 to spring 1995; home venue for the Portland Winterhawks since 1976
- Rose Quarter Arena opens 1995; new home for Trail Blazers
- Memorial Coliseum remains open but its future is uncertain; expectations of further development in Rose Quarter District

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Background



- 2009:
 - City considers demolition for minor league ballpark
 - Mayor Sam Adams convenes Rose Quarter Stakeholder Advisory for Memorial Coliseum reuse ideas
 - Veterans Focus group also meets for the first time

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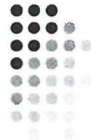


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Background



- 2010:
 - Coliseum is added to the National Register of Historic Places
 - City request for proposals for reuse concepts
 - Community Benefits subcommittee creates Community Benefits Framework

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Background

- 2011:
 - City Council renames Veterans Memorial Coliseum
 - Partners begin negotiation
 - City passes resolution supporting \$31 million investment and sole source for PAM as construction manager
 - PDC signs design contract



Renovation Highlights

- Portland Arena Management is construction manager as sole source at no cost to project
- Portland Winterhawks contribution \$10 million
- PDC contribution \$17.1 million, Oregon Convention Center urban renewal funding
- City of Portland contribution \$4.4 million, loan from PDC repaid by Spectator Facilities Fund
- Total renovation project = \$31.5 million



Review of Council Items

Veterans Memorial Coliseum Renovation

Ordinance 1359
approving multi-party
agreements associated
with renovation of
Veterans Memorial
Coliseum

Option Agreement & RQ Event Parking District

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Veterans Memorial Coliseum Renovation Project

Council Action Items:

EXHIBIT A:

RDA Redevelopment Agreement *PAM, PWH, City*
PFA Project Funding Agreement *PAM, PWH, PDC, City, US Bank*
RSA Revenue Sharing Agreement *City, PWH*

EXHIBIT B:

City/PAM OA 2nd Amendment to Operating Agreement *City, PAM*

EXHIBIT C:

City/PDC OA Conditional; only effective if PAM doesn't continue
as VMC operator *City, PDC*

EXHIBIT D:

Amended & Restated IGA \$17.1M urban renewal funding, \$4.4M
loan and project development *PDC, City*

EXHIBIT E:

Architect Services Assignment *City, PAM, PDC*

Related Items; No Council Action Needed:

PAM/PWH
Sublicense to play at
VMC *PAM, PWH*

PDC/PWH
Sublicense in the
event that PDC
becomes the operator
PDC, PWH

Scoreboard
Agreement for use
by non-Hawks users
City, PWH

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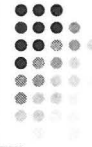


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Veterans Memorial Coliseum Renovation Agreements



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*

City/PDC OA Conditional, only effective if PAM doesn't continue as VMC operator *City, PDC*

A&R IGA Funding and project development *City, PDC*

Architect Services Assignment *City, PAM, PDC*

The RDA, PFA, and A&R IGA describe the agreements relating to project budget and scope, the funding sources, and the approval processes for the renovation of the VMC. The Funding Agent (US Bank) is also signatory to the PFA.

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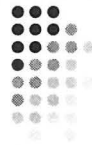


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Veterans Memorial Coliseum Renovation Agreements



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*

City/PDC OA Conditional, only effective if PAM doesn't continue as VMC operator *City, PDC*

A&R IGA Funding and project development *City, PDC*

Architect Services Assignment *City, PAM, PDC*

RDA scope of work includes:

- Arena Bowl Improvements
- Concourse and Event Level Improvements
- Building Infrastructure and Systems Improvements
- Safety and Code Improvements
- Memorial Gardens Improvements

But does not include:

- Roof replacement
- New loading/truck dock
- Half house curtains
- New rigging capacity
- Glulam restoration

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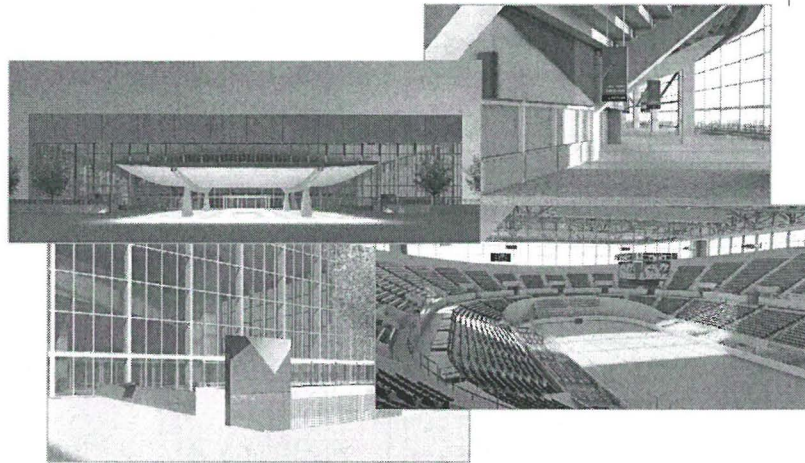


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Schematic Designs



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Veterans Memorial Coliseum Renovation Agreements

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*

City/PDC OA Conditional, only effective if PAM doesn't continue as VMC operator *City, PDC*

A&R IGA Funding and project development *City, PDC*

Architect Services Assignment *City, PAM, PDC*

Project Funding under PFA

- City and PDC funding at closing
- PWH funding in three installments:
 - \$2.5M at closing
 - \$2.5M at 25% completed; no earlier than April 1, 2013 and no later than July 1, 2013
 - \$5M at 50% completed or 75% committed; no later than July 1, 2013

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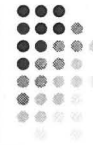


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Veterans Memorial Coliseum Renovation Agreements



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*

City/PDC OA Conditional, only effective if PAM doesn't continue as VMC operator *City, PDC*

A&R IGA Funding and project development *City, PDC*

Architect Services Assignment *City, PAM, PDC*

A&R IGA

- Loan repayment terms for \$4.4 million loan to the SFF
 - No payments for 5 years
 - Repayment with 2% interest starting in 2018
- \$2M contingent grant for heating/cooling

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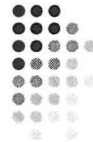


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Veterans Memorial Coliseum Renovation Agreements



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*

City/PDC OA Conditional, only effective if PAM doesn't continue as VMC operator *City, PDC*

A&R IGA Funding and project development *City, PDC*

Architect Services Assignment *City, PAM, PDC*

Revenue Sharing Agreement

- Provides PWH with a portion of increased user fees and parking for both PWH and other events
- Based on established baselines
- 100% above baseline for PWH events; 50% above baseline for other events
- Fixed calculation for share of parking revenue

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Veterans Memorial Coliseum Renovation Agreements



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*

City/PDC OA Conditional, only effective if PAM doesn't continue as VMC operator *City, PDC*

A&R IGA Funding and project development *City, PDC*

Architect Services Assignment *City, PAM, PDC*

City/PAM OA

- PAM exercises 10-year extension of original agreement through 2023
- Provides two additional 5-year extension options (2023-2028 and 2028-2033)
- Shared Net Operating Loss (NOL); reimbursable from future Net Operating Profits (NOP)
- Shared commitment to specified levels of spending on Repair, Maintenance and Deferred Capital Investment/Structural Repair

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Veterans Memorial Coliseum Renovation Agreements



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*

City/PDC OA Conditional, only effective if PAM doesn't continue as VMC operator *City, PDC*

A&R IGA Funding and project development *City, PDC*

Architect Services Assignment *City, PAM, PDC*

City/PDC OA

- Only becomes effective if PAM doesn't exercise extensions
- Based on existing City/PAM OA; bulk of terms are the same
- Shared Net Operating Loss (NOL); no future year reimbursement
- Continues joint commitment to Repair, Maintenance and Deferred Capital Investment/Structural Repair
- Continues commitment to Community and Public Events

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Veterans Memorial Coliseum Renovation Agreements



RDA Redevelopment Agreement *PAM, PWH, City*

PFA Project Funding Agreement *PAM, PWH, PDC, City, US Bank*

RSA Revenue Sharing Agreement *City, PWH*

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City/PDC OA Conditional, only effective if PAM doesn't continue as VMC operator *City, PDC*

A&R IGA Funding and project development *City, PDC*

Architect Services Assignment *City, PAM, PDC*

Architect Services Assignment –

- assigns prior schematic design work product to City for use in next stages of design and construction

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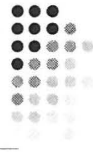


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Veterans Memorial Coliseum Renovation Agreements



Related Items:

PAM/PWH
Sublicense to play at
VMC *PAM, PWH*

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

Scoreboard
Agreement for use
by non-Hawks users
City, PWH

No Council action on these items

PWH Sublicenses

- Establish terms between VMC operator and PWH as tenant; cover 20 years
- City is not a party to either

Scoreboard Agreement

- Establishes PWH rights and responsibilities to operate, repair and maintain center hung scoreboard, receive advertising revenue, and sell naming rights
- Provides City payment to PWH for use at non-Hawks' events

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Review of Council Items

Veterans Memorial Coliseum Renovation

Ordinance approving multi-party agreements associated with renovation of Veterans Memorial Coliseum

Option Agreement & RQ Event Parking District

Ordinance approving option agreement with Portland Development Commission for Rose Quarter properties and authorizing Rose Quarter Event Parking District

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Option Agreement and Rose Quarter Event Parking District

Council Action

Option Agreement – OMF/PDC

Allows for transfer of fee title or ground lease of Rose Quarter properties from City-OMF Spectator Facilities to City-PDC *City-OMF, City-PDC*

Parking District “Event Pricing” and Parking Meter Revenue Sharing

Provides replacement revenue to Spectator Facilities Fund for loss of income due to Rose Quarter development *City-PBOT, City-OMF, City-PDC*

Future Council Action

Option Agreement – PBOT/PDC

Allows for transfer of right-of-way of City-PBOT controlled property to City-PDC *City-PBOT, City-PDC*

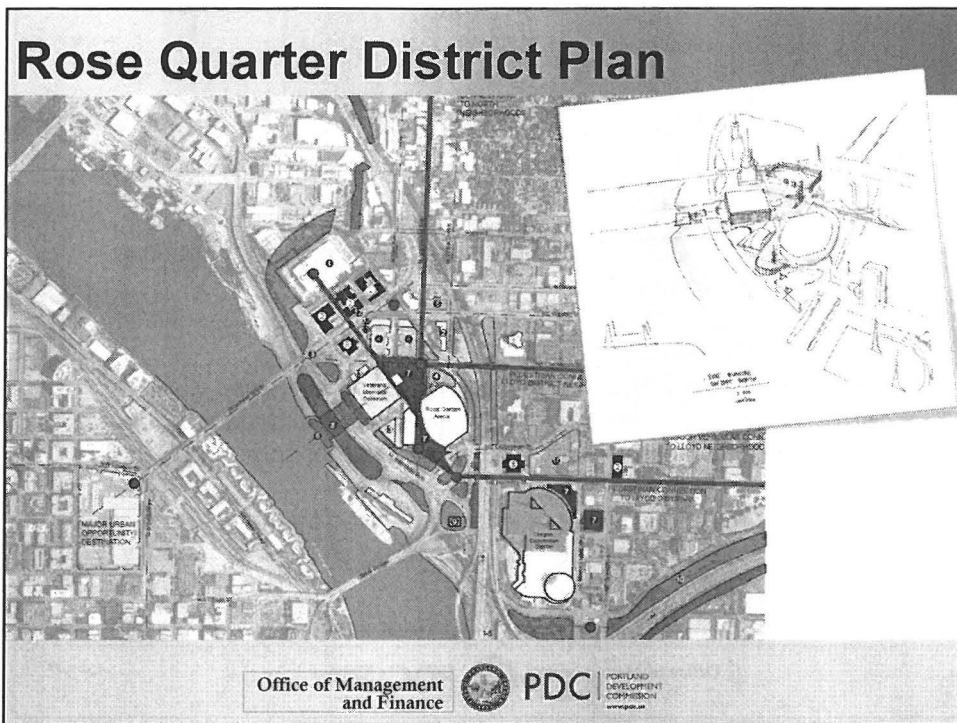
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Option Agreement

- Allows PDC to control land in the Rose Quarter District through fee title or long term ground lease during a 15 year option period
- Why:
 - PDC as City's development expertise
 - Resource diversification opportunity
- Option terms:
 - Fifteen years
 - Transfers are at no cost
 - Due diligence will be completed prior to transfer

Option Parcels

Parcels include:

- **Benton Block**, a City-owned surface parking lot used for parking, events and VMC event staging;
- **Parking Garage Parcel**, which is developed with the City-owned East/West Garages;
- **Wheeler Triangle**, a landscaped parcel currently leased to PAM;
- **Phase II Entertainment Complex**, a grass landscaped polygon adjacent to the Rose Garden Arena, which is not currently a legal lot; and
- **VMC Parcel**, which includes the land occupied by the Veterans Memorial Coliseum and the Plaza, a portion of which is currently leased to PAM.

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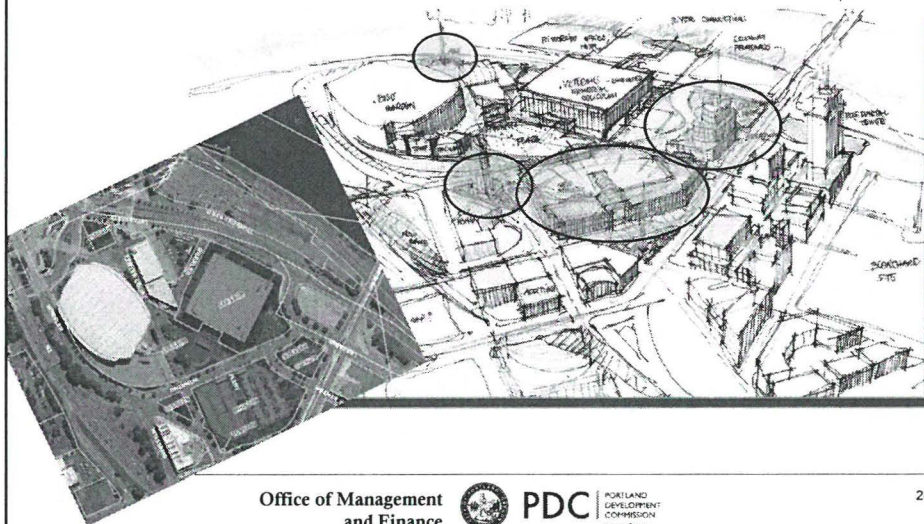


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Option Parcels



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Option Agreement

Benefits:

- Transfers development responsibility to City's economic development experts
- Structures partnership and timeframe with City and PAM to ensure smooth Rose Quarter operation / consider Spectator Facilities Fund impacts
- New development would target jobs, increased assessed value to general fund
- Could stimulate additional development (district plan)
- Incorporates Community Benefits Framework
- Furthers PDC resource diversification

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Rose Quarter Event Parking District

- Existing parking management
 - Included within the Lloyd Meter District
 - Meter hours extend until 10:00 p.m. every Monday through Saturday west of NE Grand Ave.
 - Meter rate is \$1.00/hr
- Large public investment in transit to serve the District (All LRT lines and Streetcar)

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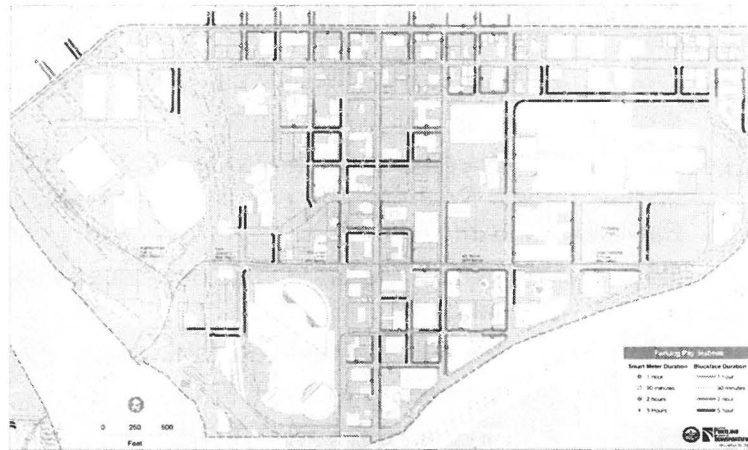


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Lloyd Meter District



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Travel Behavior and the Price of Parking

- MAX roundtrip for 2 = \$10.00
- On street parking (3 hrs) = \$3.00
- Rose Quarter Garage = \$13.00
- What travel choice will visitors make?

Event Parking District Proposal

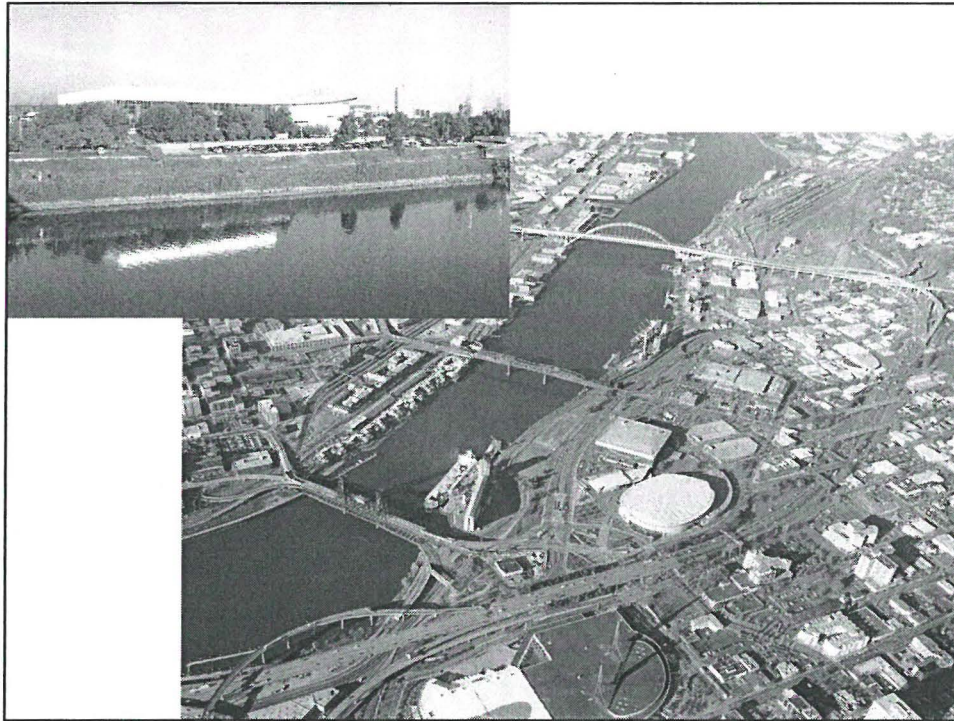
- Use JELD-WEN event parking district model
- Extend meter hours until 10:00 p.m. on event nights only.
- Set meter rates during event days/hours to better reflect 'market' rates. (Not to exceed \$3.50/hr)



Desired Outcomes

- Incent visitors to use transit, bike, or walk rather than auto. Reduce auto use and parking demand.
- Generate revenue needed to support Spectator Facilities Fund from parking 'users'.





Council Direction for December 5, 2012 Hearing



Veterans Memorial Coliseum Renovation

Ordinance 1359
approving multi-party
agreements associated
with renovation of
Veterans Memorial
Coliseum

Option Agreement & RQ Event Parking District

Ordinance 1360
approving option
agreement with Portland
Development
Commission for Rose
Quarter properties and
authorizing Rose Quarter
Event Parking District

1367

AMENDMENT
ACCEPTED 12-5-12

PAGES SHOWING CHANGES

Ordinance No.

Approve agreements among the City of Portland and one or more of, the Portland Development Commission, Rip City Management LLC, d/b/a Portland Arena Management, and Portland Winterhawks, Inc. for the renovation and operation of the Veterans Memorial Coliseum for use by the Portland Winterhawks hockey team and for other events, uses and activities. (Ordinance)

SUMMARY OF REVISIONS TO ORDINANCE EXHIBITS

ORDINANCE EXHIBIT A: REDEVELOPMENT AGREEMENT ("RDA")

1. Body of RDA page 6 / Revising Section 2.2.
 - a. Summary of Change: Adds Lloyd District Community Association as a required party.
2. Body of RDA page 109 / Revising Stand-Alone Paragraph between Sections 21.1.1.13 and 21.1.2.
 - a. Summary of Changes to Stand-Alone Paragraph: Clarifies that (i) the signature pages from PAM and PWH to RDA and Project Funding Agreement are due prior to the Second Council Meeting, and (ii) the Rose Garden License, the Guaranty, the Pledge, and the scoreboard agreement must be in substantially final form prior to Closing.
 - b. Summary of Changes to Section 21.2.1: Adds Lloyd District Community Association as a required party.
3. RDA Exhibit 2.6 (Project Funding Agreement) page 8 / Revising Section 3.1.2.
 - a. Summary of Change: Provides that the second and third PWH Contributions must be made no later than July 1, 2013.
4. Stand-Alone Project Funding Agreement – page 8 / Revising Section 3.2.1. See explanation above.

NOTE: Because the Project Funding Agreement is both an Exhibit to the RDA (Exhibit 2.6) and a stand-alone document to which the City, PDC, PAM, PWH, and Funding Agent are signatories, two (2) identical versions of the slip page are included with this slip page memo. The version referenced in #3, above, should be placed at RDA Exhibit 2.6 (page 8). The version referenced in #4, above, should be placed in the stand-alone version of the Project Funding Agreement at page 8.

5. RDA Exhibit 6.3 (Existing Agreements) page 2 / Deleting Item #6.
 - a. Summary of Change: Deletes reference to an agreement terminated on December 23, 1996.
6. N/A – no redlined pages.

ORDINANCE EXHIBIT B: SECOND AMENDMENT TO COLISEUM OPERATING AGREEMENT (2nd AMENDMENT CITY/PAM OA)

7. Page 14 / Revising Section 10.
 - a. Summary of Change: Adds the words "and liability".

ORDINANCE EXHIBIT C: VETERANS MEMORIAL COLISEUM CONDITIONAL
OPERATING AGREEMENT (CITY/PDC OA)

8. Page 43 / Revising Sections 4.11.3.4 and 4.11.4.1.
 - a. Summary of Changes: Clarifies PDC's right to grant PWH Scoreboard Advertising rights and Scoreboard Naming Rights.
9. Page 53 / Revising Stand-Alone Paragraph above Section 5.11.1.
 - a. Summary of Change: Corrects an inaccurate reference to June 30, 2022, with the correct reference to June 30, 2023.
10. Page 71 / Revision a Portion of Section 10.2.6.
 - a. Summary of Change: Inserts obligation for PDC to carry property and liability insurance on the Scoreboard.
11. Page 93 / Revising Section 15.4.5.5.
 - a. Summary of Change: Expands the scope indemnification requirements to be contained in PWH/PDC sublicense.
12. CITY/PDC OA Exhibit 4.8.1 / Page 2.
 - a. Summary of Change: Deletes reference to an agreement terminated on December 23, 1996.

REDLINE SHOWING CHANGE TO RDA EXHIBIT 6.3

June 23, 1993, and recorded in the Official Records of Multnomah County, Oregon on June 24, 1993, at Book 2712, Page 1299 (93-081905). The interest of Oregon Arena Corporation under the Operating Agreement was assigned to PAM by the Assignment of Interest in the Memorial Coliseum Operating Agreement dated December 31, 2004, and recorded in the Official Records of Multnomah County, Oregon on January 4, 2005, as Instrument No. 2005-001765. The Operating Agreement is being further amended concurrent with the Closing of the RDA, as provided in the Second Amendment to Coliseum Operating Agreement between PAM and the City dated _____, 2013

4. Arena Ground Lease between Oregon Arena Corporation (predecessor-in-interest to PAM) and the City, having an effective date of June 23, 1993.
5. Entertainment Complex Ground Lease between Oregon Arena Corporation (predecessor-in-interest to PAM) and the City, having an effective date of June 23, 1993, as amended by the Amendment No. 1 to Entertainment Complex Ground Lease having an effective date of Jun 17, 2008.
6. ~~Plaza Lease between Oregon Arena Corporation (predecessor-in-interest to PAM) and the City, having an effective date of June 23, 1993~~ [Intentionally deleted]
7. Personal Service Contract (Architectural Design and Engineering: Veterans Memorial Coliseum Renovation) dated November 17, 2011, between PDC and Opsis Architecture LLP.
8. Assignment of Architect Agreement effective as of _____, 2013, by and among PDC, the City, and PAM.
9. Public Parking Facilities Management Agreement between Oregon Arena Corporation (predecessor-in-interest to PAM) and the City, dated as of June 23, 1993, as extended by letter agreement dated June 8, 2000, and Extension Agreement for Public Parking Facilities Management Agreement for Rose Quarter [undated].
10. Memorial Coliseum Agreement between Oregon Arena Corporation (predecessor-in-interest to PAM) and PWH, having an effective date as of July 1, 1994.
11. Proposed Transaction Terms (Renovation of Veterans Memorial Coliseum) dated November 17, 2011, among the City, PAM, and PWH.
12. Permit of Entry dated November 22, 2011, between PAM and PDC.
13. Intergovernmental Agreement between the City and PDC dated February 24, 2012, as amended by Amended and Restated Intergovernmental Agreement dated _____, 2013.
14. Sublicense, as defined in Section 2.5.1 of the Agreement.
15. Conditional PDC SLA, as defined in Section 2.5.3 of the Agreement.

1.4 Action of PAM

When PAM is required or allowed to take action under this Agreement, PAM may take action through its Retained Parties by enforcement of a Retained Party Contract unless this Agreement specifically provides that PAM may not delegate the required or allowed action to a Retained Party.

SECTION 2 IDENTIFICATION OF RELATED AGREEMENTS

At the times required by Section 21, the relevant parties, including third parties, shall have completed and entered into the following agreements which comprise the Related Agreements:

2.1 Operating Agreement Amendment

An amendment to the Operating Agreement between the City and PAM, which amendment will be effective on the Effective Date (the "Second Amendment"). As part of the Second Amendment, PAM will exercise its options to extend the term of the Operating Agreement until June 30, 2023, and the City will acknowledge its obligation to carry a line item in the City's Spectator Facilities Fund budget applicable towards the costs of Repairs, Capital Improvements, or other increased Operating Expenses (as such terms are defined in the Operating Agreement) arising out of deferred Capital Improvements or deferred Structural Repairs, which budgeted item will not be less than Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) per Fiscal Year, subject to the terms of the Second Amendment.

2.2 Neighborhood Livability Partnership

An agreement between PAM and the Eliot Neighborhood Association, and Lloyd Community Association (the "Neighborhood Partnership Agreement"), which agreement shall be acceptable to the City.

21.2.1 PAM and the Eliot Neighborhood Association, and Lloyd District Community Association shall have approved the Neighborhood Partnership Agreement, and it shall be attached to this Agreement as Exhibit 21.2.1.

21.2.2 The City, PWH and PAM shall have agreed upon the Base Scope and Schematic Drawings.

21.2.3 If the Contractor has been engaged, then the City and PAM shall have each approved the Contractor's GMP in accordance with Section 11.7.

21.2.4 The Parties shall have prioritized the Add/Alt list in accordance with Section 11.12..

21.2.5 PAM has caused the Contractor (if engaged as of the Closing Date) and all Vendors engaged as of the Closing Date to provide the City with the performance and payment bonds required under Section 12.5.

21.2.6 The City has removed any Objectionable Exceptions as required by Section 6.1.

21.2.7 PAM, PWH, the City and other necessary parties, as applicable, shall have approved and executed the Related Agreements described in Section 21.1, including their respective exhibits, and performed all acts necessary for all such Related Agreements to be effective and binding.

21.2.8 PWH shall have funded the portion of the PWH Contribution required by the Project Funding Agreement to be funded at Closing, which sum shall be deposited into the Project Payment Account required by the Project Funding Agreement. This condition is for the sole benefit of the City and PAM.

REDLINE SHOWING CHANGE TO SECTION 10.2.6 OF CITY/PDC OPERATING AGREEMENT
(Page 71)

the sum of the following: (a) Net Income plus continuing expenses, for the immediately preceding Fiscal Year, (b) User Fees payable to the City on account of Events at the Coliseum for the immediately preceding Fiscal Year, (c) [INTENTIONALLY DELETED], and (d) advertising revenue payable to PDC, if any, on account of Coliseum advertising for the immediately preceding Fiscal Year. For the initial year of the Term, the insurance amount required under this Section 10.2.5 shall be based on information from the Fiscal Year immediately preceding the Transition Period, which information the City shall provide to PDC during the Transition Period. Such insurance shall provide coverage for the categories of losses set forth on clauses (a) through (d) above. The portion of the premium for such policy allocable to item (a) shall be an Operating Expense. The portion of the premium for such policy allocable to items (b) and (c) shall be a charge against amounts otherwise payable to the City pursuant to Section 5.6. The portion of the premium for such policy allocable to item (d) shall be a charge against amounts otherwise payable to PDC pursuant to Section 5.5. If in any Fiscal Year there are insufficient funds available for distribution to the Parties to cover the amounts to be charged under the preceding two sentences, the charges shall be paid as an Operating Expense initially, with the charges carried forward for reconciliation as soon as possible in subsequent Fiscal Years. If the Parties cannot agree upon an allocation of premiums pursuant to this Section 10.2.5 within thirty (30) days of written notice from either Party to the other requesting such allocation, such allocation shall be made pursuant to Dispute Resolution.

10.2.6 ~~Other Insurance. Such~~ Scoreboard and Other Insurance.

Notwithstanding anything to the contrary in this Agreement, PDC hereby expressly agrees to carry property and liability insurance covering the Scoreboard, the cost of which shall be an Operating Expense. Further, PDC shall carry such other and additional insurance, in such amounts as may from time to time be reasonably required by City or by law, as is customary with respect to facilities and/or personal property comparable to the Coliseum and the Personal Property located at the Coliseum.

10.3 Terms of Insurance

The policies required under Section 10.2 shall:

REDLINE SHOWING REVISION TO SECTION 10 OF 2nd AMENDMENT TO CITY/PAM OPERATING
AGREEMENT (Page 14)

or component thereof, whether financial or otherwise, are beyond the scope of this Original Operating Agreement or this Amendment. Notwithstanding the foregoing, PAM hereby agrees to carry property and liability insurance covering the Scoreboard, the cost of which shall be an Operating Expense. Other than the insurance referenced in the preceding sentence, no costs or expenses associated with, relating to, or otherwise arising out of any of the foregoing shall be deemed Operating Expenses.

11. User Fee during Extended Term. During the Extended Term, the User Fee applicable to Portland Winterhawks hockey pre-season, regular season, and post-season games held at the VMC shall be seven percent (7%).

12. Notices Section 18.3 of the Original Operating Agreement is hereby deleted in its entirety and replaced with a new Section 18.3 which shall read as follows:

"18.3 Notices. A notice or communication under this Agreement by a party to another party shall be sufficiently given or delivered if sent with all applicable postage or delivery charges prepaid by: (a) personal delivery, (b) sending a confirmed e-mail copy (either by automatic electronic confirmation or by affidavit of the sender) directed to the e-mail address of the party set forth below; (c) registered or certified U.S. mail, return receipt requested, or (d) delivery service or "overnight delivery" service that provides a written confirmation of delivery, each addressed to a party as follows:

If to the City: City of Portland
1120 S.W. Fifth Avenue, 12th Floor
Portland, Oregon 97204
Attn: Chief Administrative Officer
E-Mail: VMC.OA@portlandoregon.gov
Confirmation No.: 503-823-5288

with copies to: Office of the City Attorney
City of Portland, Oregon
1221 S.W. Fourth Avenue, 4th Floor
Portland, Oregon 97204
Attn: City Attorney
E-Mail: Mark.Moline@portlandoregon.gov
Confirmation No.: 503-823-4047

REDLINE SHOWING CHANGE TO SECTION 15.4.5.5 OF CITY/PDC OPERATING AGREEMENT
(Page 93)

15.4.5.1 Any negligent conduct, act, or omission of PWH or PWH's directors, officers, employees, agents, contractors, subcontractors, or licensees, occurring during the term of the PWH Sublicense.

15.4.5.2 Any accident, injury, death, or damage caused to any Person or to the property of any Person occurring during the term of the PWH Sublicense on or about the Coliseum

15.4.5.3 Scoreboard Advertising and Scoreboard Naming Rights, and subject to the terms of the Scoreboard Agreement, any use, non-use, possession, occupation, operation, scheduling, promotion, maintenance, repair, licensing, restoration, or management of all or any part of the Scoreboard.

15.4.5.4 Any event of default by PWH of any obligations of PWH under any agreement affecting the Scoreboard not cured within any applicable cure period provided in such other agreement.

15.4.5.5 ~~Construction, to~~ To the extent performed by or at the direction of PWH, construction of any Scoreboard-related capital improvements, or any repair, maintenance or replacement relating to the Scoreboard.

15.4.5.6 The actual or alleged presence, use, treatment, storage, generation, manufacture, transport, release, leak, spill, disposal, or other handling of Hazardous Substances on, from, or about the Scoreboard caused by PWH.

15.4.6 [Intentionally deleted].

15.4.7 [Intentionally deleted].

15.4.8 The PWH Sublicense shall contain economic terms no more favorable to PWH than the terms contained in the Conditional PAM SLA (as defined in the Final RDA). The City shall have the right to reasonably approve agreements directly or indirectly modifying, to the benefit of PWH, the economic terms of the PWH Sublicense. Any such agreement shall be approved or disapproved by the City in writing within thirty (30) calendar days of the City's

**REDLINE SHOWING
PROJECT FUNDING AGREEMENT REPLACEMENT
SECTION 3.1.2 Page 9**

the PWH Contribution and Public Contribution spent, or (ii) seventy-five percent (75%) of the total amount of the PWH Contribution and the Public Contribution committed based on contracts signed, including the Architectural Services Agreement, the General Construction Contract and Vendor Agreements, provided, however, that funding under ~~this Section~~ Sections 3.1.2(b) and (c) shall be due not later than July 1, 2013. In accordance with the terms of this Agreement, the Funding Agent shall withdraw funds from the PWH Account and deposit such funds into the Project Payment Account to pay PWH's share of Construction Costs. Notwithstanding anything to the contrary contained in this Agreement, the City shall have no obligation to review or approve any Retained Party Contracts if (Y) the completion threshold provided in subsection 3.1.2(b) has been satisfied on or before April 1, 2013, but PWH has not yet funded under such subsection, and/or (Z) the completion or commitment thresholds provided in subsections 3.1.2(c)(i) or (ii) have been met on or before July 1, 2013, but PWH has not yet funded under such subsection. When any of the percentage thresholds described in this Section 3.1.2 have been reached, the City or PAM will send notice to PWH of the same, and PWH shall have ten (10) Business Days from receipt of such notice to deposit the required portion of the PWH Contribution into the PWH Account.

Section 3.1.3 Because PWH is not funding the entire PWH Contribution at Closing, the following shall occur:

(A) Because PWH is funding the PWH Contribution in phases, and unless PAM and the City agree otherwise, PAM shall cause the Project Schedule to be structured in such a way as to provide that as much and as many of the PWH Approval Items will be completed, and the scoreboard ordered, after PWH actually funds the final \$5,000,000.00 of the PWH Contribution. To the extent feasible, PAM will manage the Renovation Project and Construction Schedule such that the majority of the PWH Approval Items are ordered, purchased and installed after PWH has funded the entire PWH contribution;

(B) At Closing, the executed Guaranty will be delivered to the City and PDC;

(C) At Closing, the executed Pledge will be delivered to PDC; and,

(D) To backstop a portion of the PWH Contribution, PDC will reprioritize the Two Million and No/100 Dollars (\$2,000,000.00) currently budgeted for the stand-alone energy system at VMC such that such funds will be used if and as

REDLINE SHOWING CHANGES TO CITY/PDC CONDITIONAL OPERATING AGREEMENT
PAGE 43
(SECTIONS 4.11.3.4 and 4.11.4.1)

4.11.2 The proposed form of any Naming Rights Agreement proposed by PDC shall be submitted to the City for review and Approval. PDC will not enter into a Naming Rights Agreement unless it has received City Approval. Any such Approval is subject to the limitations and standards set forth below. The City may only disapprove a Naming Rights Agreement if its terms and conditions are inconsistent with the terms of this Agreement, or if such Naming Rights Agreement, if assumed by the City, would impose unacceptable obligations or liabilities on the City. A Naming Rights Agreement shall specify a specific name to be applied to the applicable portion of the Coliseum.

4.11.3 The following limitations apply to PDC's sale or offering of Naming Rights:

4.11.3.1 PDC may convey Naming Rights applicable to components or elements of the Coliseum contained within the Coliseum's perimeter walls, to a business (but not an individual or political entity), including to a business associated with or connoting alcohol products or gambling. Naming Rights shall not be conveyed to a business associated with or that connotes: tobacco products, gun manufacturers or businesses whose primary business is selling guns or sexual products.

4.11.3.2 Nothing in this Agreement shall be deemed to grant PDC any rights to sell, offer to sell, or otherwise apply a permanent or temporary name to the entire Coliseum itself.

4.11.3.3 Nothing in this Agreement shall be deemed to grant PDC any rights to sell, offer to sell, or otherwise apply a permanent or temporary name to the Veterans' Memorial gardens.

4.11.3.4 ~~Nothing~~Except that PDC may grant to PWH Scoreboard Advertising and Scoreboard Naming Rights in accordance with this Agreement, nothing in this Agreement shall be deemed to grant PDC any rights to sell, offer to sell, or otherwise apply a permanent name to the Scoreboard.

4.11.4 Limitation on Advertising

4.11.4.1 "Advertising" consists of the display of a company's name, logo, trademarks, trade names, images, or products on a temporary basis, including, without limitation, audio and visual commercial messages announced or presented, even though the advertising may be contractually committed for more than one (1) year, where the physical representation of such name, logo, trademarks, trade names, images, or products can be readily removed or replaced with another company's name, logo, trademark, trade name, image or product. Advertising includes sponsorships and promotions. During the Term, PDC shall have the exclusive commercial Advertising rights for the Coliseum (excluding the Veterans' Memorial gardens and the Scoreboard), the area inside the Coliseum Arena and the Coliseum Arena's outer concourses and the vestibule area of the concourse, including but not limited to: the fixed display panels attached to all equipment in the Coliseum Arena, all sign boards presently located inside the Coliseum Arena and on the Coliseum Arena's outer concourses and vestibule area, and any new sign boards to be erected by PDC within the Coliseum Arena and the Coliseum Arena's outer concourses and vestibule area. Costs (including, without limitation, sign boards), expenses and liability associated with Advertising shall be Operating Expenses. Without limiting the generality of this Section 4.11.4.1, during the Term, PDC shall have the express right to (a) sell or sublicense Advertising during the Term for the Coliseum, and (b) sell or sublicense to PWH rights for Scoreboard Advertising and Scoreboard Naming Rights and, to the extent all or part of such rights are so sold or sublicensed to PWH, revenues from such Advertising, Scoreboard Advertising and Scoreboard Naming Rights shall be shared between PDC and PWH in accordance with the PWH Sublicense in effect on the Reference Date (not the Effective Date).

**REDLINE SHOWING CHANGE TO CITY/PDC CONDITIONAL OPERATING AGREEMENT
EXHIBIT 4.8.1**

The foregoing are collectively referred to as the "Development Agreement." Such Development Agreement is evidenced by the Memorandum of Development Agreement dated June 23, 1993, and recorded in the Official Records of Multnomah County, Oregon on June 24, 1993, at Book 2712, Page 199 (93-081885). The interest of Oregon Arena Corporation under the Development Agreement was assigned to PAM by the Assignment of Interest in the Development Agreement dated December 31, 2004, and recorded in the Official Records of Multnomah County, Oregon on January 4, 2005, as Instrument No. 2005-001768.

2. Declaration of Covenants, Conditions and Restrictions for the Oregon Arena Project between Oregon Arena Corporation (predecessor-in-interest to PAM) and the City having an effective date of June 23, 1993, and recorded in the Official Records of Multnomah County, Oregon on June 24, 1993, at Book 2712, Page 265 (93-081889), as amended by First Amendment to Declaration of Covenants, Conditions and Restrictions for the Oregon Arena Project having an effective date of April 19, 1996, and recorded in the Official Records of Multnomah County, Oregon on April 19, 1996, as Instrument No. 96059271 (collectively, the "CC&Rs"). The interest of Oregon Arena Corporation under the CC&Rs was assigned to PAM by the Assignment of Interest in the Declaration of Covenants Conditions and Restrictions for the Oregon Arena Project dated December 31, 2004, and recorded in the Official Records of Multnomah County, Oregon on January 11, 2005, as Instrument No. 2005-006099.
3. Memorial Coliseum Operating Agreement between Oregon Arena Corporation (predecessor-in-interest to PAM) and the City, having an effective date of April 23, 1993, as amended by the First Amendment to Coliseum Operating Agreement between Oregon Arena Corporation (predecessor-in-interest to PAM) and the City, having an effective date of June 23, 1993 (collectively, the "Operating Agreement"). Such Operating Agreement is evidenced by the Memorandum Regarding use of Memorial Coliseum dated June 23, 1993, and recorded in the Official Records of Multnomah County, Oregon on June 24, 1993, at Book 2712, Page 1299 (93-081905). The interest of Oregon Arena Corporation under the Operating Agreement was assigned to PAM by the Assignment of Interest in the Memorial Coliseum Operating Agreement dated December 31, 2004, and recorded in the Official Records of Multnomah County, Oregon on January 4, 2005, as Instrument No. 2005-001765. The Operating Agreement is being further amended concurrent with the Closing of the RDA, as provided in the Second Amendment to Coliseum Operating Agreement between PAM and the City dated _____, 2013.
4. Arena Ground Lease between Oregon Arena Corporation (predecessor-in-interest to PAM) and the City, having an effective date of June 23, 1993.
5. Entertainment Complex Ground Lease between Oregon Arena Corporation (predecessor-in-interest to PAM) and the City, having an effective date of June 23, 1993, as amended by the Amendment No. 1 to Entertainment Complex Ground Lease having an effective date of Jun 17, 2008.
6. ~~Plaza Lease between Oregon Arena Corporation (predecessor in interest to PAM) and the City, having an effective date of June 23, 1993. [Intentionally deleted]~~
7. Personal Service Contract (Architectural Design and Engineering: Veterans Memorial Coliseum Renovation) dated November 17, 2011, between PDC and Opsis Architecture LLP.
8. Assignment of Architect Agreement effective as of _____, 2013, by and among PDC, the City, and PAM.

**REDLINE SHOWING CHANGE TO SECTION 5.11 OF CITY/PDC OPERATING AGREEMENT
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As of the Reference Date, the City and PWH are parties to the Revenue Sharing Agreement, the term of which expires on June 30, ~~2022~~ 2023. PDC acknowledges and agrees that, without regard to the Effective Date of this Agreement, PDC shall have no right, title, or interest in or to any revenues or losses referenced in the Revenue Sharing Agreement, and such sums shall be expressly excluded from the calculation of Operating Expenses and Operating Revenues under this Agreement.

5.11.1 Beginning on July 1, 2023 (if the Effective Date is July 1, 2023) or July 1, 2028 (if the Effective Date is July 1, 2028) (as applicable, the "Revenue Sharing Effective Date"), the Revenue Sharing Agreement will be deemed incorporated into the body of this Agreement, subject to the following revisions:

5.11.1.1 As of the Revenue Sharing Effective Date, PDC shall be deemed to have assumed any and all rights, title and obligations of PWH under the Revenue Sharing Agreement first arising on or after the Revenue Sharing Effective Date, such that references to PWH as a party to the Revenue Sharing Agreement shall be deemed references to PDC.

5.11.1.2 Subject to the terms of this Agreement and any Community Events, Special Events, and Cooperative Events, PWH may be the sole user of the Coliseum.

5.11.1.3 Exhibit B to the Revenue Sharing Agreement shall be deleted in its entirety and replaced with Exhibit B attached hereto and incorporated herein by this reference.

5.11.1.4 The term of the Revenue Sharing Agreement shall commence on the Revenue Sharing Effective Date of this Agreement and shall continue until the earliest to occur of: (a) 11:59 PM on June 30, 2033; (b) the termination of the Revenue Sharing Agreement by the City for Cause (as such definition is modified below); (c) the termination by PDC of the Revenue Sharing Agreement; (d) the occurrence of an event of default by PWH under the Final RDA for PWH's failure to make payments as and when due under the Final RDA and such failure continues beyond any applicable cure period, and (e) the Early Termination Date of this Agreement. PDC shall have no option to extend the term of the Revenue Sharing Agreement, as amended by this Agreement.

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21.1.1.10 the Conditional PDC OA,

21.1.1.11 the Guaranty,

21.1.1.12 the Pledge; and

21.1.1.13 the scoreboard agreement between the City and PWH.

In addition, (a) the City and PDC shall have executed the IGA on or before Closing, (b) each of PAM and PWH shall have executed this Agreement and the Project Funding Agreement prior to the ~~First~~Second Council Meeting, and (c) PDC shall have executed the Conditional PDC OA, Project Funding Agreement and Conditional PDC SLA. The Except the Rose Garden License, the Guaranty, the Pledge, and the scoreboard agreement referenced in Section 21.1.1.13, which shall be in substantially final form prior to Closing, the foregoing Related Agreements shall be in substantially final form as of the First Council Meeting and, if not attached to this Agreement as an exhibit, each shall be separately included in the packet of materials provided to the City Council before the First Council Meeting.

21.1.2 PAM and the City shall use their respective Reasonable Efforts to cause each of the Conditions Precedent set forth in Section 21.2 to be satisfied prior to Closing. Each Party shall determine in good faith whether all conditions precedent have or have not been satisfied. Such determinations shall be subject to judicial resolution, but not Dispute Resolution.

21.2 Conditions Precedent to City's, PWH's and PAM's Obligations

Unless otherwise stated in this Section 21.2, the following conditions precedent to Closing shall be satisfied to the satisfaction of the City, PWH and PAM, unless expressly waived in writing by the City, PWH and PAM as a condition precedent to Closing (unless such Closing condition is stated to be for the benefit of a particular Party, in which case only such Party may waive such condition); *provided, however*, that no waiver by the City, PWH or PAM of a condition to Closing shall be deemed to constitute a waiver by the City, PWH or PAM of any