

The Oregonian

Deal for new Portland baseball stadium calls for 55-year lease, up to \$1.5M in negotiating payments

*By Everton Bailey Jr.
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A letter of intent between the Port of Portland and a group seeking to build a Major League Baseball-caliber stadium calls for the private group to pay up to \$1.5 million over two years to exclusively negotiate redevelopment of a waterfront site. The group would then pay the Port at least \$900,000 a year as they build out the property, according to terms spelled out in the letter.

The Port signed off on the letter Nov. 28. The Portland Diamond Project, which is seeking to lure an MLB team to Portland, agreed the next day. The group [released artist renderings of a new baseball stadium](#) at the Port's 45-acre Terminal 2 marine cargo site the same day.

The terms of the agreement hadn't been publicly released since the proposed site announcement. A copy of the letter of intent and its attachments were obtained by The Oregonian/OregonLive through a public records request.

[\[Read the documents\]](#)

Both sides have carried out due diligence since then. They have up to six months to inspect the property and complete any other feasibility analysis they feel is necessary, the letter said.

During this period, the Diamond Project is required to inform the Port of plans related to the proposed venture, including the group's ownership structure and other financial information that explains how it will be able to execute the deal. They'll move to exclusive negotiations afterward, during which the project plans to pay \$375,000 during the first quarter, \$125,000 for the next three quarters after that and \$187,500 each quarter over the next year, if necessary.

They would then enter a master development agreement, which the Port can terminate if the Diamond Project doesn't sign a ground lease for the site by Dec. 31, 2023. Either party can also still opt out of the deal with advanced notice, the letter said.

The group would pay the Port at least \$900,000 a year as the site is developed, according to the letter of intent. The fee could be raised or decreased by 3 percent a year.

The property lease will have an initial term of 55 years, with three options to extend for ten years each, the letter said. The letter doesn't disclose how much the group would pay to rent the land, but said the annual rent payments will be based on market rates. The security deposit would be equal to one year's worth of property taxes.

The Portland Diamond Project will be responsible for all improvements, required permits, development and other fees and charges related to development and use of the site. The Port of Portland's nine member commission has to approve an agreement before the Diamond Project would be given control of parts of the site.

The Portland Diamond Project, whose investors include married couple Grammy Award-winning singer Ciara and NFL quarterback Russell Wilson, said it's looking to build a 32,000-seat stadium.

The Diamond Project will act as the master developer for the Terminal 2 site, allowing other developers to build supplementary housing and commercial developments on the land.

It's still not clear how the project plans to fund the costs of building a ballpark and bringing a team to Portland. There aren't any current tangible plans for an existing MLB franchise to move to Portland or for the league to approve starting a new team in the city.

The group has said it plans to tap up to \$150 million in state-issued bonds that would be paid back with income taxes from team salaries. The ballpark would likely need millions more to be completed.

Elliot Njus of The Oregonian/OregonLive staff contributed to this report.

Portland Business Journal

Emails reveal mayor's staff met with bidder disputing Portland Marathon contract

By Pete Danko
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When Stephen Brown tried to talk to Mayor Ted Wheeler's office about plans to fix the troubled Portland Marathon, he hit a wall.

"I was told since December (2017), on numerous occasions, that they would purposefully not communicate about the marathon in order to not prejudice the process," said Brown, who heads up one of several groups vying to take over management of the race.

But one marathon hopeful did get a meeting with Wheeler's staff: Oregon Sports Authority.

It came on Nov. 1, according to City Hall emails obtained through a public records request — just days after Portland announced its intent to award the 2019 marathon production contract to a race-management company from Utah.

Three weeks after the meeting with OSA, which had finished third in an independent committee's evaluation of the marathon bids, [Mayor Wheeler abruptly declared the process would be rerun](#), in search of a "bold vision" for the race. The decision erased months of work by the city to set up and conduct the marathon request for proposals.

Although the mayor's office [had previously acknowledged](#) that OSA contacted it regarding the results of the solicitation, it said the Nov. 1 meeting with OSA had nothing to do with the decision to redo the RFP. But one participant said the issue was raised, and the mayor's office confirmed that OSA was the only bidder that it met with during the solicitation process.

OSA was already no stranger to City Hall.

The nonprofit has worked for years to promote the state as a venue for major sporting events, and has a \$250,000 contract with the city specifically to pitch Portland. Mayor Wheeler cites his longtime support for the group in his [official city biography](#). And the group's CEO, Jim Etzel, made a \$500 donation to Friends of Ted Wheeler, the mayor's campaign fund, on Sept. 28, the day after bids were due in the initial marathon RFP.

OSA, which has joined the new bidding for the race, had high hopes for its proposal. It believed a new, attractive course could bolster its dream of holding the marathon world championship race in Portland in 2021, when Eugene hosts the global track and field championships.

But Brooksee LLC, with years of experience putting on races that OSA couldn't match, [was an easy winner in the eyes of the evaluation committee](#).

OSA protested the Brooksee win, as allowed under solicitation guidelines. That same day, Etzel and Chief Operating Officer Meyer Freeman came to City Hall, ostensibly to meet with Sonia Schmanski, chief of staff to Commissioner Nick Fish. Jennifer Arguinzoni, the mayor's director of external affairs, joined the meeting.

Was OSA there to dispute the solicitation results?

"This meeting had nothing to do with the marathon or marathon process," Eileen Park, the mayor's communications director, said in emailed answers to questions. "OSA wanted to discuss an athletic event they potentially wanted to conduct in the spring of 2019."

Schmanski told the Business Journal that OSA had requested the meeting with her. She said she couldn't recall if mayoral staffers asked to be part of it, or if she invited them to join in (Park said it was the latter). Schmanski said a new race was the stated point of the meeting — but the marathon solicitation was discussed.

"Because the marathon procurement conversation was active at that time it came up, but I didn't track that part as closely and don't remember the particulars," Schmanski said.

Etzel declined to answer questions about the meeting, but provided a written statement describing it.

The purpose, he said, “was to introduce the possibility of the Oregon Sports Authority creating and hosting an annual half marathon beginning in the spring of 2020, in the event that Brooksee’s selection as the operator of the marathon was finalized.”

The day after the Nov. 1 meeting, OSA's Freeman emailed participants a document with the heading “Oregon Sports Authority Requested Support.” It listed items such as permits to conduct an event and beefed up police support “beyond the 33 officers committee in the RFP.”

Etzel, in his statement, said the document referred to the possible new event, not the disputed marathon process.

“We were asked to provide further detail on the type of cooperation we would need from the city to create a spring half marathon,” he said.

But just a few days later, on Nov. 5, a “Team Ted Staff Meeting” agenda sent out internally by Wheeler's chief of staff, Michael Cox, included “troubleshooting the process to select a marathon organizer” as a top priority item.

Then on Nov. 7, after receiving the OSA document, Marshall Runkel, Commissioner Chloe Eudaly’s chief of staff, replied that he was “working on this.” Eudaly had recently been assigned the Bureau of Transportation, a key player in the marathon's permitting over the years.

Runkel went on to say he had talked to a Wheeler staffer “about failing (the) procurement and restarting (the) process with different assumptions baked into RFP, e.g. more police support being available.”

On Nov. 9, the city procurement office denied OSA's protest, saying that as the third-place finisher, dislodging Brooksee still wouldn’t have given OSA the contract.

That opened the door to the city negotiating a contract with Brooksee.

But Brooksee never heard from the city. And on the day before Thanksgiving, Mayor Wheeler announced the RFP redo.

[That new process is now underway](#), with Oregon Sports Authority, Brooksee and Brown's group, Rose City Marathon Company, among three repeat bidders, joined by two new ones.

The four-person committee judging the first solicitation was selected by a Bureau of Transportation project manager and was dominated by city employees with extensive experience managing traffic and events. The mayor's office said it would "collaborate" with PBOT on picking the evaluators in Round 2, but their identities won't be known until after the process is completed.