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Major League Soccer in Portland a go, but Beavers baseball still stymied

By James Mayer, The Oregonian

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Brent Wojahn/The Oregonian

Merritt Paulson and the city have reached agreement on PGE Park. The Portland Timbers soccer team will step up to Major League Soccer when the season opens in April 2011.

Soccer: 4. Baseball: 0.

A deal to renovate PGE Park for Major League Soccer will have at least four "yeas" when it comes up for a vote next week, with all Portland city commissioners except Amanda Fritz saying Wednesday they would support it.

Left unresolved is what will happen to the Portland Beavers Triple-A baseball team, which will play in the ballpark this year but must find a new home after that.

Merritt Paulson, who owns both the Beavers and the Timbers soccer team, told council members that his goal "has been and still is to keep the Beavers in Portland or the Portland area for years to come."

He said his company has advanced three unsuccessful plans for a new Beavers ballpark -- Memorial Coliseum, Lents Park and Beaverton.

"When it comes to the future of the Beavers, I am a willing and eager partner; a willing financial partner, business partner and community partner as well. But to succeed, I also need a willing and eager government partner," Paulson said.

"Throughout this process, I hope you have learned as much about the business of professional sports as I have learned about City Hall and local politics," he said.

In the 25-year PGE Park deal -- a package of seven contracts -- Paulson promises that if his company, Peregrine LLC, cannot complete the city-owned ballpark's reconstruction, he and his father, former Treasury Secretary Henry Paulson, will pay to finish it.

Construction has started at the stadium under a waiver that the City Council granted because time is running

short to reconfigure PGE Park for the April 2011 start of the major league season.

Under the agreement, Paulson will pay \$8 million in cash upfront and an additional \$11.1 million into the city's Spectator Facilities Fund as prepaid rent to serve as a construction loan. The city will borrow \$11.9 million, with repayment coming primarily from income related to stadiums in the Rose Quarter, especially existing ticket taxes at Trail Blazers games.

Paulson agrees to cover all construction cost overruns and has committed to keeping the Major League Soccer team in Portland for the life of the contract, which runs through 2035.

Commissioners stressed that the deal negotiated by Mayor Sam Adams and Commissioner Randy Leonard over the past 18 months doesn't rely on urban renewal money or the city's general fund.

That sealed Commissioner Dan Saltzman's support, he said. "I know that you won't be here next week," he said to the crowd in the packed council chamber, many sporting green-and-white Timbers soccer colors. "I guarantee you that there will be three votes for this deal."

Commissioner Nick Fish said that given Saltzman's clinching vote, he was free to vote for the right thing, without regard to the politics of the situation. "It's not a perfect deal, but I believe it's a good deal," he said.

Fish said he would have fought the deal if it put taxpayers at risk. The city loans are ultimately backed by the general fund, which pays for most city services such as parks, police, fire and planning. But Fish said that risk is small, and "if we worried about removing all risk in our lives, we'd never get married or buy a house."

Leonard praised Adams. "It matters who the mayor is," he said. "If Sam wasn't the mayor, this deal would not be before us."

Adams thanked Paulson for his willingness to invest millions of dollars in the city during a dark economic time.

Fritz asked several detailed questions but didn't indicate how she would vote. She voted against the pre-development agreement in 2008.

One issue she raised Wednesday was that the deal didn't ban tobacco advertising in the stadium. Paulson assured her that there would be no tobacco advertising.

"Does that mean you will vote for it now?" Adams asked her. Fritz didn't reply.

The final vote is scheduled for next Wednesday.

-- **James Mayer**

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