August 2, 2024

MODA CENTER ARENA LEASE BRIDGE AGREEMENT
FACT SHEET

OVERVIEW

1. The Portland Trail Blazers are a unifying force, bringing civic pride and identity to the City, metropolitan region, and State of Oregon, and contributing greatly to local charities and important causes.

2. As Oregon's largest gathering place (based on total annual attendance) approaches 30 years of age, a new and significant investment in Moda Center would transform this unique community asset. A major renovation can be the centerpiece for revitalizing the Rose Quarter and surrounding area into a vibrant, transformational destination.

3. The current Moda Center ground lease expires on October 11, 2025, with a rapidly approaching deadline of October 11, 2024 for Rip City Management ("Rip City") to notify the City of Portland of whether it will extend the current agreement.

4. The City and Rip City plan to focus future discussions on how to best structure a long-term public-private partnership that includes a major renovation of the arena and would keep Portland and the arena as the Trail Blazers' home for many years to come.

5. The City and Rip City have agreed that more time is needed to develop a long-term public-private partnership and to allow for the participation of additional stakeholders that benefit from the Trail Blazers and Moda Center.

6. The City and Rip City signed a non-binding term sheet in March 2024 (approved by Portland City Council on February 28, 2024) that outlines the basic terms of a bridge agreement. Implementation of the bridge agreement requires a series of new agreements and modifications of existing agreements. Together these agreements require the Trail Blazers to stay in Portland through at least October 11, 2030. This bridge agreement represents a positive step forward, providing more time and the opportunity to pursue a long-term public-private partnership.

7. Other than the acquisition of a parcel of privately-owned land under a portion of the Moda Center at fair market value, the bridge agreement does not require any upfront investment from the City, does not require the City to take on any debt, does not create any new property taxes, and does not increase any existing property taxes.

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HIGHLIGHTS

Implementation of the bridge agreement requires City Council approval of two ordinances that together authorize execution of eight legal agreements. These documents, which are consistent with the non-binding Term Sheet approved by City Council on February 28, 2024, include:

- **Arena Operating Lease**
- **2024 Exclusive Site Agreement**
- **Amendment No. 3 to the Entertainment Complex Ground Lease**
- **Amendment No. 9 to the Coliseum Operating Agreement**
- **Amended and Restated Development Agreement**
- **Restated Public Parking Facilities Management Agreement**
- **Amendment No. 2 to the Declaration of CC&Rs**
- **Purchase and Sale Agreement**

Approval of all eight legal documents will implement the following key terms of the bridge agreement:

1. The bridge agreement extends the Trail Blazers commitment to play in Portland through October 11, 2030. The Trail Blazers have the option for an additional five-year extension, through October 11, 2035.

2. Moda Center ownership is transferred to the City of Portland for $1.

3. Rip City continues to have responsibility for operating Moda Center, funding and completing capital repair, maintenance, and improvement projects and maintaining the arena in a first-class manner. Rip City and the City have agreed on a 5-year plan for specific sustaining capital projects for the arena to be implemented during the term of the bridge agreement.

4. The City contribution to the Moda Center capital projects is capped at the amount of user fees and parking revenues generated by Trail Blazers home games. The City contribution will also be matched by Rip City, thus the City is obligated to contribute no more than fifty percent (50%) of the actual expenditures by Rip City on Moda Center capital projects.

5. If the Moda Center ceases to be the home of the Trail Blazers, the City would be repaid for its investment in capital projects during the term of the bridge agreement.

6. The City and Rip City will continue to discuss potential redevelopment options for the Rose Quarter as part of a long-term agreement.

7. Simultaneously with the Moda Center transfer of ownership, the City will acquire the Kosei property, a parcel of land in the Rose Quarter that is owned by Rip City. The negotiated purchase price of $7.13 million is based on independent appraisals and reflects fair market value of the land—as required by the Arena Ground Lease. The funds for this acquisition come from the dedicated reserves in the City's Spectator Venues and Visitor Activities Fund and will be paid at the closing of this transaction.

8. Separately, the City has begun a legislative process to revise signage regulations at the Rose Quarter to activate the site, improve security, and drive additional revenues. City Council anticipates receiving a proposal in November 2024.

9. Transferring Moda Center Arena to City ownership is a key component of the bridge agreement and will open opportunities for future investment into the arena. After the transfer of ownership, the arena will be treated consistent with other City-owned venues, including Providence Park Stadium and Veterans Memorial Coliseum, which are not subject to property taxes. Property tax savings is estimated to be $1.2 million annually, which will go toward operations of the Moda Center.