

What the statute says — and doesn't. SB 1501 §6(1)(c) requires "a provision addressing responsibility for cost overruns... which must provide that the joint authority is not required to pay for any cost overruns, **except to the extent that such cost overruns are the result of modifications to the project scope or design that the joint authority requests after final approval.**" The statute caps the **authority's** exposure. It never names who **does** pay — the contract must. And the "modifications requested after final approval" exception is the loophole every weak arena deal in America drives through. Whether Portland gets a cost cap or a press release will be decided by five drafting details.

1 OWNER-LEVEL, OR CONTRACTOR-LEVEL?

Is the guaranteed maximum price signed by **ownership** (the management entity and its parent), or only by the construction contractor? A contractor-level GMP covers the construction contract — and leaves design development, scope gaps between contract packages, FF&E, technology, and escalation on the public. **If the cap lives only in the construction contract, the answer is contractor-level, and the headline is false.**

2 WHO IS THE NAMED PAYER?

Does the lease say, in words, that **the management entity shall pay all project costs above the approved budget?** §6(1)(c) names no payer. "The authority isn't required to pay" is not the same sentence as "the owner is required to pay" — between those two sentences is where overruns land on taxpayers. **No named payer, no cap.**

3 HOW IS "AUTHORITY-REQUESTED MODIFICATION" DEFINED?

The statutory exception must be defined as changes **initiated by the joint authority itself** — and nothing else. If the definition sweeps in code compliance, field conditions, design development, or operator-requested changes that the authority merely "approves," every overrun becomes "authority-requested" by drafting. **A broad definition converts the exception into the rule.**

4 WHERE CAN OVERRUNS BE ROUTED?

Can overruns be paid from the Oregon Arena Fund, a "capital reserve," or any future public revenue stream? Then the public pays through the side door while the headline says it can't. A real cap **bars public-source routing** in the financing documents, not just the talking points. **If overrun money can touch any public account, the cap is decorative.**

5 WHAT HAPPENS TO "SAVINGS"?

A padded budget plus a generous savings split is a profit machine: inflate the GMP, "save," collect. A real cap pairs a **de-padded budget reconciled line-by-line to the city's own facility review** with a **public-majority savings split** and an anti-descope certification — savings can't be manufactured by quietly cutting the public's scope. Context worth keeping in view: the city's 2024 facility review identified roughly \$505M of need over 20 years (≈\$482M of it basic operations), the team's ask is \$600M+, and only ≈\$80M of the identified work directly impacts Blazers activities. **If the budget baseline is the team's number, the savings are the public's losses.**

The test: a cap that passes all five questions is a cap. Anything else is a press release. We will grade the published term sheet against these five questions, line by line, in public — and credit every official who asks them first.