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THE FAIR-DEAL TERM SHEET — ONE PAGE

Public benchmarks · June 2026
Full derivations: /terms#complete-deal

The principle: if public money builds it, the public shares in it. Renovate the Moda Center, keep the Blazers — on market terms. Every number below is anchored to an executed document: this ownership's own 2024 Raleigh deal, Portland's own 2024 bridge lease, an enacted Oregon statute, or a verified peer-city deal (all hosted at the URL above). Leverage: under SB 1501 \$5, **no state bonds issue and no tax-capture transfers flow until the City and County sign** — and the statute's protections are floors, required "at a minimum" (§6(1)(d)). *Est* = modeled estimate from public data.

TERM	THE NUMBER	ANCHOR & DRAFTING GUARD
PUBLIC CAPITAL	\$485M cap — State \$365M + City \$120M re-sourced to parking/user-fee revenue (no PCEF, no General Fund) ; tax-exempt proceeds barred from the premium scope	SB 5701 §§4–7; bond-counsel allocation memo is a condition precedent
OPERATOR CASH	≥\$245M new money into the revenue-generating scope (~32% of program — the peer middle) <i>Est</i>	Ownership paid 18–62% in every verified peer renovation (CLE 62, DC 35.6, ATL 26, IND 18); the City's own study marks ~\$341M revenue-facing
\$10.2 SETTLEMENT	\$120M of certified necessary repair — counted once, as a discharge of the operator's existing first-class debt, never as "capital" ; shortfall converts to cash	Lease §5.4 + tolled §10.2 (~\$164M face); no novation — the drafting move that would erase the claim
RENT	\$4.5M/yr esc. 3% from occupancy (\$2M/yr in construction) ≈ \$121M/20yr , paid to the City directly — plus a \$2.5M/yr operator capital reserve	His own Raleigh signature (2024, replacing rent-free); Charlotte's reserve; never routed into the Arena Fund
PARTICIPATION	18% of gross premium/club/naming revenue above a CPI-indexed, audited FY25–26 baseline ≈ \$100M/20yr Est	Gross, never net (his books are uncopiable: §10.14/§16.9 — override them); baseline resets only pro-rata to capex he funds; FMV anti-gaming
OVERRUNS	Owner-level GMP at the approved budget; 100% operator absorption above it; savings 65/35 public; budget reconciled line-by-line to the City's study	SB 1501 §6(1)(c) names no payer — the contract must; "authority-requested" = authority-initiated only (never code/field/design/operator changes)
TERM	30 years + two 5-yr options (each: \$25M reinvestment + FMV rent reset) — contingent on the 2027 \$4 sunset (tax diversion ends at bond retirement)	SB 1501 §4 otherwise diverts Rose Quarter withholding — incl. team payroll — to the later of expiry or retirement
DEVELOPMENT	7-yr exclusive with his own Raleigh milestones: \$200M by yr 5 / \$400M by yr 10 / \$800M by yr 20 ; 6% appraised ground rent (5-yr resets); district on the tax rolls; 10% affordable; in-tract infrastructure on the developer	His 2024 Raleigh deal; ORS 307.110; milestones drafted as City termination rights; delete DA \$29.4, \$29.5, Lease \$12.5
NAMING	Operator keeps arena naming in-Term — the renovated re-rate (~\$4M→\$7–9M/yr <i>Est</i>) lands in the participation base; 50/50 on district naming; reverts to the City at lease end	DA §31.2.4 (50/50 already signed), §31.4 (reversion) — a new lease is a fresh license; price it
PARKING	25% "administration" fee deleted ; City takes 30% of gross event parking from 2031 ≈ \$70M/20yr <i>Est</i>	Parking §8.4 (the fee) vs §8.1 ("shall not be compensated"); §5.1.5 monthly data are public records
USER FEES	Close all five §28 carve-outs: premium seats at actual price , suites at 6% of license revenue , single-event to 100%, affiliate netting ended, promoter-default risk on the operator ≈ \$50M/20yr	~85% fan-paid — book it honestly and never trade ownership money for it
PILOT	\$1.2M/yr, CPI-indexed, contracted (≈\$28M) + \$12M operator-funded arena electrification	ORS 307.171 exempts the arena even under a taxable operator — so it must be by contract; restores Ord. 191858's ~\$1.2M/yr
RELOCATION	Formula damages — the greater of (outstanding public debt + unamortized City/County capital + PV of remaining rent) or 1.1× that sum — plus express specific performance ; obligors RCM + Trail Blazers Inc., joint & several ; \$50M evergreen letter of credit; springing holdco recourse; sale void without assumption; Coliseum games fee'd & counted as home	A flat headline number risks Oregon's penalty doctrine (<i>Illingworth</i> ; <i>DiTommaso</i>) — the formula is reasonable by construction; specific performance is what settled the Sonics case; ESA §3.3, §2
TRANSPARENCY	NDA terminated; Oregon public-records law supreme; City audit + copy rights; public Oregon-seated arbitration; annual public compliance report; quarterly reporting written past the statute's 2032 sunset	Replaces Lease §11.6 (records tip-off), §10.14 (no copies), §14 (confidential NY arbitration)
SOVEREIGNTY	Delete §3.3 (City reimburses any City ticket tax & lobbies the State against new ones); narrow §15 (metro venue non-compete) with a Coliseum carve-out, dying on default	Lease §3.3 + DA §28.2.4; §15 currently bars even the City's own backup plan

THE MATH — BOTH WALK-AWAYS, PRICED (*EST, PV @9%*)

Walking costs the ownership ~\$640M (range \$440–850M): the foregone \$27–41M/yr of renovation revenue, the bridge-lease capital + first-class obligations and tolled ~\$164M claim he keeps, the lapsed development option, and the franchise-value delta of a 2030 lease cliff.

Walking is worth ~\$450–550M to Portland: \$488M of local cash unspent, an arena the *operator* must maintain through 2030/35, the preserved claim, and state money revivable in the 2027 session.

The 35¢ dollar: tax shields, fan-paid incidence, discounting, and zero-cost guarantees mean each headline dollar costs ownership ~35¢ — so the package below the line is conservative, not aggressive. **Count-once total: ~\$930M** vs the published \$450–600M floor.

WHY OWNERSHIP SIGNS THIS

True after-tax cost of the full package: **~\$300–330M PV Est** — the new cash and participation are the only items that move his real ledger (fees are fan-paid, the settlement discharges money already owed, the penalty costs a staying owner nothing).

Against a **~\$640M walk-away cost**, he signs and **keeps \$250M+ of surplus** — with his structural needs intact: \$450M+ of public capital in the building, multi-year development exclusivity, springing rather than standing recourse.

Every cash ask is his own Raleigh signature or a verified peer deal — "unprecedented" is not an available answer. And the zero-cost protections are the tell: **refusing them is the confession.**

CONDITIONS PRECEDENT — AT CLOSING

- ✓ **County's §5(5) commitment locked before the City vote** (it is a second statutory veto)
- ✓ **Parking re-sourcing proven:** published coverage analysis + voter-measure opinion before ratification
- ✓ **Bond counsel:** XI-Q validity + private-use allocation memos
- ✓ **Assessor/DOR opinion** on ORS 307.171 / 307.110
- ✓ **§10.2 settlement by separate resolution — expressly not a novation;** estoppels exchanged
- ✓ **JPMorgan \$100M deed of trust released or subordinated**
- ✓ **PLA executed;** joint covenant to pursue the 2027 \$4 sunset

Sources, hosted in full at ripcitynotrippo.com: enrolled SB 1501 & SB 5701 (2026); the executed 2024 Arena Operating Lease, Exclusive Site Agreement, Parking Agreement & Development Agreement (Ord. 191857/191858); the City-commissioned VSG facility study; 16 verified peer NBA deals. These are **public benchmarks for judging the deal, not anyone's settlement authority** — Council holds the pen. Watch for the three failure modes: the County gate, an unproven funding source, and the definitive-documents drafting war.

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