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# **Exclusive: A conversation with the MLB-to-**Portland team

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It's been 15 years since the last serious effort to bring Major League Baseball to Portland. Back then, in 2003, supporters were trying to lure the Montreal Expos to town with the promise of an eventual new stadium and a supportive city yearning for the big leagues.

The push came up short.

Jason Atkinson.

of which would be affordable housing.

But in recent months, a new attempt to land either a relocated team — the Oakland A's or the Tampa Bay Rays are both struggling in their markets — or one of two possible expansion teams has emerged. The effort is being led by the Portland Diamond Project, an organization that includes former Nike executive Craig Cheek, former Blazers broadcaster Mike Barrett, and former Oregon State Senator



The group has put in offers on two potential stadium sites. Its plans, however, go beyond a stadium and include an expansive development that would include up to 8,000 new apartments, roughly half

In a wide-ranging interview with the Business Journal this week, Cheek, Barrett, Atkinson and John McIsaac, who's handling communications for the PDP, expanded on their vision and talked about how, despite some big hurdles — zoning issues, unknowns in the MLB world and the monumental challenge of raising close to \$1 billion to build a stadium — a major league team could be playing in Portland as early as 2022.

## Why now

The Portland baseball story is one that's been told many times, from the early days of Vaughn Street Park — opened in 1901 for the Portland Beavers — to failed efforts to bring MLB here in the 2000s. This time around, PDP says, will be different.

## The Business journal: For starters, why Portland?

Craig Cheek: Why not Portland? I think a lot of things kind of happened in a perfect storm in a great way. One is, I'm a born-and-raised Northwest kid who loves baseball. Having worked 26 years at Nike, once I retired I went, what's my passion? What's missing? What's the opportunity and what can I do? There's also the combination of baseball roaring back, the ratings, the fans, even some of the youth leagues that people worried about. There's been this nice lift in the sport of baseball. And since I'm very, very passionate about it and we have not had pro baseball here at the Triple A or higher level since 2010, I felt this compelling itch to go, Why not us? Then you surround yourself with an amazing team and start putting a plan together, and you realize that we are in a moment in time when there are a couple of struggling franchises and there is a need to globalize and grow the game, and Portland becomes a really interesting city in the middle of that confluence.

# What makes this time around any different?

<u>Jason Atkinson</u>: When the last effort was done, I was serving in the Senate. I learned a lot. The last teams that were trying this were well intentioned and they left a good foundation for us. But what we're doing is entirely different in terms of financing, in terms of collecting talent, in terms of a national footprint.

Mike Barrett: I think, too, there's the growth rate for the city. Based on where we are in moving from 25 to 22 in media market size, we are nipping on the heels of St. Louis and, soon, we're probably going to break into the top 20. Portland is overdue. The last time this was tried, Portland was a different city. People are moving to Portland, and they want big market amenities like a baseball team. So if we can accomplish the goals that we've set out to accomplish in helping the city and the citizens and also bring a Major League Baseball team, that would be a — sorry — home run.

**Cheek:** The one thing that I would add is that, as much as efforts can look coordinated, when you talk to parties like (MLB Commissioner Rob Manfred's) office, you find that some of the (prior) efforts were a little disjointed. If we are going to be true historians and listen to what's worked and what hasn't, we have to try and make sure we are unified in our approach.

## What's the vision for a stadium here?

**Cheek:** We want everything we do to be best in class. We want to be the next best stadium for Major League Baseball, and we want it to be iconically Portland. We want to push the envelope on a lot of things. We want to be the smartest park, with a very high-tech-meets-athletic kind of influence here. Everything should be held in your hand, from your ride share picking you up to the drinks and growlers delivered to your seat. We want the most sustainable park because it wouldn't be Oregon or Portland unless we were pushing out on sustainability. The food and beverage should be incredible. Also, it should be the most walkable and be a model for Major League Baseball as to public transit. I think

these are the things that will define it.

## You're estimating the stadium could cost around \$800 million to build, right?

**Cheek:** It's going to be in that ballpark. The last stadium that was built was Atlanta, which was just south of \$700 million, and they had no roof. We are looking for game certainty, so a roof solution is going to cost an additional couple hundred million on top of that. We are looking at roof solutions and non-roof solutions and will study both because we know the rainfall is light overall, except you've got to deal with April, a little bit of May and October. We've also got some things to worry about here, like building in a seismic zone, that are going to cost us a little more too.

# The silent partners

Though Cheek, Barrett and Atkinson are out in the open, other players involved in the effort — potential owners and investors, for example — remain unnamed or behind the scenes. Questions about where the funding for an MLB team and stadium could come from have yet to be answered, but the PDP team is confident that the necessary pieces are in place — or will be soon.

## Can you share any more about the ownership group?

**Cheek:** I know everybody wants to know, but we really are trying to be incredibly careful and have no comment on the ownership group. We will when it's time, but it's premature to be putting names and companies out there.

# But there is a group that exists? There's actually money that is backing the proposals, correct?

**Cheek:** There is, yes. And we feel great about where we're headed from that perspective, but it's just too early to talk about names.

## It is a group, not an individual?

**Cheek:** When you're talking about a \$2 billion project with a few different pieces of financing, it's more complex than one single individual. There is a stadium piece, a franchise piece, a land piece. When we are ready to share details, you'll see how it comes together, but it's not one single person that we would be comfortable giving that name. It's a multifaceted in the way in which the entire enterprise gets put together, so those are the worlds that we live in — and there may be different investors for different parts of it.

#### Who else is involved that you can talk about?

**Cheek:** There's our partnership with CSL, the economic study group out of Frisco, Texas; we have confirmed that <u>Populace</u>, out of Kansas City, the architect that has done 22 of the last 27 ballparks, is partnering with Bob Thompson at (Portland's) TVA; and we have also mentioned that Irwin Raij, the lead attorney out of New York City with <u>O'Melveny & Myers</u> has been retained by us, so we get that national exposure with someone who has put a lot of baseball deals together.

Is having a management group start the franchise pursuit as opposed to an owner, an unusual way to go about this process?

Cheek: I think it can work both ways. You pressure test your thinking and your plans and you get validation along the way. We would not have entered into the fray unless I had some investor confidence in knowing that those building blocks were there. I think Portland is pretty unique, too, in that there's a lot of things we had to wire in locally, politically, with the government. You want to make sure you're building that from the ground up. It's almost an inverted pyramid. We're starting from the ground up to make sure we build it right as opposed to just waving a billion-dollar check. That's been tried in other cities, and it's failed. And I would tell you, it's not just a management group. It's a management group plus, and the plus would be we have interest in potentially participating in running the team, in minority ownership, in realizing the vision of this master plan.

# **Expansion vs. Relocation**

Portland, or any other city seeking to bring MLB to town, essentially has two options for a team: an expansion team if MLB was to grow from 30 to 32 teams or a relocated team. Both the Oakland A's and the Tampa Bay Rays have been in slumps of late and their futures in their respective markets remain uncertain.

# What have been your latest interactions with Commissioner Manfred?

**Cheek:** It's been a steady flow back and forth, but we have respected the key windows. One of the big windows for baseball is opening day and getting out of the gate in the first two weeks of April. Then you build up to the All Star Game, and then you're marching toward the playoffs, and that's sacred too, so we're carefully trying to manage our calendar and our milestones. I think we would give the commissioner a fuller update once we cross what we believe to be a significant milestone, which is now that we've placed offers on land, we want to secure land. At that stage, a commissioner engagement again will be important in whether we bring him and his team out, whether we go there. We kind of have a clear sense of our calendar, but we have been constantly communicating.

# Do you have a preference between relocating the A's or the Rays here or adding an expansion team?

**Cheek:** We just want baseball in Portland, so honestly, we could go either way. We won't go into all that goes into stabilizing the Oakland and Tampa markets. There is a high sense of urgency to get those deals done. If it works out, great. The faster we get to expansion. If it doesn't work out and we become and interesting option (for the relocation of a team), we're trying to get ourselves ready to do that.

**Barrett:** This is a rare time in history for Major League Baseball. Baseball doesn't often relocate teams or expand. The fact that there could be an opportunity for either is a tremendous opportunity for Portland and our group. We want to position ourselves to help (Manfred) and the game and the city all at the same time.

How do you help the commissioner?

**Barrett:** By being another option.

What about competition from other cities pursuing a team?

**Cheek:** The window has never been better for Portland. We are the largest metropolitan marketplace in the country today with only one of the big four (professional sports) franchises. We believe we are the most organized, sophisticated, most ready group on the West Coast to shoot this window of opportunity to make it happen.

## The properties

PDP has put in offers on two properties in Portland for potential stadium sites. One is a roughly 10-acre property on North Dixon Street currently owned by <u>Portland Public Schools</u>. The other is nearly 20 acres owned by Esco at Northwest 24th Avenue and Northwest Vaughn Street. Both properties have their challenges — environmental, zoning and transportation, for starters — and not everyone's in favor of injecting more new development and gentrification into some of Portland's more historically diverse neighborhoods, particularly around the PPS site.

## What about the timeline for the two property offers?

**Cheek:** We're just getting started. It's probably going to take time. We have to work through environmental, zoning, due diligence and all that, but motivated partners can get to the table quickly.

**Barrett:** And because we have made offers on two, that doesn't mean that we are stuck on two. There are other sites. We are in discussions.

#### Other sites in Portland?

**Barrett:** Yes and no. I think it's safe to say there are options outside the city limits that we are looking at and that we are in discussions on.

What do you say to people who believe that baseball isn't what the neighborhood around the PPS site needs? That something like the mixed-use Albina Vision plan (which aims to, in part, return the area to its African-American roots) is a better approach?

**Atkinson:** We would love to blend our concepts together. I think as far as their vision and our vision, it really is the same. We absolutely believe in the restoration of the neighborhood and the cultural sensitivities, and we think that Major League Baseball and our architectural work would be the catalyst that got it started and financed. We want to be respectful of what that vision is and help it meld.

## Would you say the PPS site is the preferred one?

**Cheek:** It's an exciting site. Is it preferred? We are preferring whatever site. If we land one, I'll tell you that was the one I loved the most.

What about the Vaughn Street site? Right now, the zoning won't even allow for major entertainment.

**Atkinson:** The Vaughn Street site is fantastic because that's where it all started in Portland. They all, every site that we look at has its own set of issues. Vaughn Street's major entertainment (prohibition) is an issue that we have to take head on. It has entitlements that we'd have to do the hard business line on just as well as PPS or anywhere else we go.

After the news of your proposal came out, Mayor Ted Wheeler issued somewhat of a lukewarm response to it. What are you thoughts on that?

Atkinson: We don't fault him. We just need to have open dialogue.

<u>John McIsaac</u> — (Wheeler) said his priorities are public safety, homelessness and affordable housing. Well, we've already said that affordable housing is a huge component of this. If you build a big retail/hospitality/housing walkable district, public safety becomes less of an issue, and we're providing housing. We hope up to 50 percent of it will be affordable.

Atkinson: We've got a catalyst project for the city. It's 8,000 apartments. That's a big number.

To have 50 percent of that affordable seems ambitious considering that most developers won't even build projects that have 20 percent of units as affordable because they say it isn't economically feasible?

**Cheek:** Well, it's interesting, though. That was the same number of apartments that Albina Vision had envisioned. There is that capacity in that neighborhood, which has been vetted by two groups. The potential is there.

#### What's the timeline on all of this?

**Cheek:** If we could write our own storyline here, as we move through 2018 and into 2019, that clarity starts to happen around has stabilization kicked in in Oakland and Tampa or not. At the same time, we're acquiring property. We are hoping that everything kind of maps into this 2022 baseball season.

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