



# E-PARCC

## COLLABORATIVE GOVERNANCE INITIATIVE

Syracuse University

Maxwell School of Citizenship and Public Affairs

Program for the Advancement of Research on Conflict and Collaboration

## **Facilitating a Public Policy Dispute: Practicing Textbook Tools and Confronting Challenges That Textbooks Don't**

### **VIDEO TRANSCRIPTS**

#### **Summary**

This teaching case is supported by video clips excerpted from televised broadcasts of the public meetings of a citizen task force. It illustrates the challenging reality of facilitation that most textbooks do not discuss. The public policy issue involves multiple parties collaborating on a citizen task force to advise the City Council on a proposal made by the owner of the local minor league soccer and baseball teams. The owner will purchase a Major League Soccer franchise if the City renovates and reconfigures the existing stadium for soccer and builds a new stadium for baseball.

The facts have been modified to integrate lessons learned from multiple public policy facilitations by the authors and to achieve the learning objectives. The case is built around ten discussion questions, affording instructors flexibility in adapting the case to serve specific learning objectives. The teaching note is lengthy because it provides guidance in addressing each of the ten discussion questions, as well as guidance for selecting a subset of questions to accommodate the available class time. The case incorporates public documents and events impacting the decision, and is accompanied by a Teaching Note and supplementary Adaptable Takeaway Tools for facilitators to employ.

This case was an honorable mention place winner in E-PARCC's 2014-15 "Collaborative Public Management, Collaborative Governance, and Collaborative Problem Solving" teaching case and simulation competition. It was double-blind peer reviewed by a committee of academics and practitioners. It was written by Steven M. Maser of the Atkinson Graduate School of Management at Willamette University and Samuel J. Imperati of the Institute for Conflict Management, Inc., with thanks to Jessica Ordonez of Apicality Communication, LLC. This case is intended for classroom discussion and is not intended to suggest either effective or ineffective handling of the situation depicted. It is brought to you by E-PARCC, part of the Syracuse University Maxwell School's Collaborative Governance Initiative, a subset of the Program for the Advancement of Research on Conflict and Collaboration (PARCC). This material may be copied as many times as needed as long as the authors are given full credit for their work.

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### **VIDEO CLIP 1: INTRODUCTION BY THE CHAIR (1 MIN, 49 SEC)**

S 1: Well, welcome. I am Steve Maser and I have the privilege of chairing the Task Force. I want to thank everybody for agreeing to serve on it and contributing your time and expertise and everyone else who is here to participate or listen. We have a lot to accomplish over a fairly short period of time and we have a full agenda today, so I am going to propose that we get right down to work. Before asking Commissioners Adams and Leonard to outline their charge to the Task Force, I think it would be helpful if we introduced ourselves. I will take a minute to explain my role. I am on the faculty of the Graduate School of Management at Willamette University, which has a facility here in Portland, where we offer an evening MBA and I also live in Portland as well. I teach courses on business and government relation and on negotiation. For the Task Force, I hope that the least I can accomplish is to lead our meetings in an efficient manner so we hear from everybody and use our time effectively. My goal will be to try and achieve a consensus on whatever recommendations we send to Commissioners Adam and Leonard. In any case, I hope we will be thorough in the work that we have to do and, if and when we have disagreements, that we can work together and come up with creative solutions. We will spend a little time later in today's meeting talking about our rules of procedure and, that said, I thought we'd just go around the room and introduce ourselves and sort of your interest in the Task Force.

## VIDEO CLIP 2: GUIDING PRINCIPLES AND THE SCOPE OF WORK (13 MIN, 23 SEC)

- S 1: *Maser:* Well, OK. The next item on the agenda is to sort of get our house in order and decide how we are going to accomplish this task in the time we have. And the first thing is to take a look at the guiding principles that we all received copies of. I think it's appropriate to spend a little time, those of us who've taken this charge, to decide whether these guiding principles really have to be ours. This is a draft that's been offered to us essentially by Commissioners Adams and Leonard and cut with comments from others. And we have gotten communications with other suggested guiding principles from Commissioner-elect Fritz and others. So we really have to decide if this is what we want to live by and follow these things. The idea of having the guiding principles is that, as we consider different proposals, those that conform better to these principles and others are those that we will be more likely to agree upon as forwarding to the commissioners. So the questions: Are any of these ones here of concern to you that you think we should not have as guiding principles? Are there any that you would like to add? We should have a chance if anyone wants to add any to be able to add to them. I think the idea for today's few minutes, the few minutes we have to talk about it today, is that we can talk about them now and then they will work on them between now and the next meeting and we will actually propose to bring back to the group, Okay, here's what we heard and here's what we are now suggesting as the guiding principles. So that's said, what's your take on these?
- S 2: *Bradley:* Amanda Fritz took some time to respond via email. I think everybody has a copy of that. I would like to suggest some of her principles that she's restated, or we rework specifically in, would be a nice revision to some of these. And I know probably not everyone's looked through them, but I would like to suggest that might be something good to look at.
- S 1: Are there any particular ones of those that she suggested that you would recommend?
- S 2: I think she says the Task Force and the City will consider which other programs' land uses or funding will not be feasible if the stadium project is backed. She also mentions specific, I think that's a good theme to underline. It's tight economic times obviously.
- S 1: Sure.
- S 2: And also under Social she mentions that the impact in the affected neighborhoods will be assessed and deemed acceptable. And the proposal will define strategies and funding sources to minimize the impact and that gets back to type of mitigations we were discussing earlier, that were brought up earlier.
- S 1: That's helpful. Yeah.
- S 3: *Thomajan:* I think extending off that point, under Social, the fourth item, no net loss of outdoor athletic fields. I would suggest that should include park space. I think the issue,

especially as it relates to Lents and outer Southeast, which is inherently parks-deficient, is about more than just playing fields. It is about the open space and green space.

S 4: *Barquin*: And related to that, if there is net loss, like the gentleman is mentioning, of wetlands or any sort of thing like that, then I think we need to clarify in the proposal that it would be the proposer's responsibility to mitigate for that, to do this sort of [Pearl] whatever, sort of development mitigation that needs to occur as far as environmental compliance.

S 1: Those are all good suggestions. What else?

S 5: *Powell*: I am going to frame this as a question, because I am not sure how they put it in the format of a principle. I wonder what extent the project would, or the success of the project would be dependent on concert revenues as well as athletic revenues. It came up, issue in the early demise of the PIP proposal at PGE Park.

S 6: *Logsdon*: We will be able to address that when we get to looking at any of the financial projections that we have done for the spectator fund that will review merit projections for the team. There will be specific numbers in there about concerts. We are very aware of the optimism that was shown in the PIP proposal on the size of concerts and the revenue generation they would get from concerts so, we will flag that issue.

S 1: I want to follow up on your question and understand your reason for that. Is it primarily concern about the validity of the financial projections? Or you are concerned about noise or other attributes of concert?

S 5: Basically an economic impact.

S 1: Economic impact. Ok. Well, other things, other reactions to other suggestions or any of these? Go ahead, either one of you.

S 7: *Myers*: On the financial principles, I am not sure that we could at this point, the second bullet [inaudible]. I don't think at this particular point in the process we are able to define what this guideline should be. Obviously something like this is necessary, but the rule types, there many different ways of defining a financial return. I think that with the study of the way that other communities have gone about this, we might get some clues, the sort of parameters we put in here. And I saw the City auditor had a comment on this other bullet. The more financial risk the City assumes on the project, the city will have to have more control over those risks, I think that was being brought up here is the more the risk, the higher the equity in this success. This would be a more appropriate way to state this.

S 8: *Thomas*: I read that as a potential warning and maybe I need to reread that, but I was also under the impression that all Gary was concerned about the City having a voice and he was also concerned that that might have a potential negative impact as well. Did I

read that correctly? That's the way I read it. It's all good and well that we want to control it, but there's some concern that if you don't know what you are controlling, you might actually act to the demise as opposed to the success. So I think it was more of a caution about, be careful what you ask for. And I actually think that's the conversation we are having, which is, what is going to be the role of the City if in fact we do wind up getting involved in a greater way than we originally anticipated. Government usually is not the most efficient, so, any questions?

S 6: I think we can sort of be mindful of that. Right now, the way PGE Park operates, the City has an operating agreement with the Paulson family and they pretty much have full operating control of the building, they maintain the building, they pay all operating costs, and under a strict revenue schedule the city gets rent and takes tax money. So we are not involved in the day-to-day, trying to oversee the day-to-day operations of it. We have a high level of competence in the way they are operating the building and maintaining it, but we are not direct partners on a day-to-day basis. The more you get it more into it, it may be counterproductive at a certain level.

S 9: What would be counterproductive there?

S 6: Well, in running a sports enterprise, it could slow down the ability of the business to respond to opportunities.

S 9: What would?

S 6: If there was a lot of direct involvement by the City, City approval over events schedules or making judgments about, Is that the type of concert we want? And that type of thing. It would make them less nimble if they had to pass through the City, a bunch of operating procedures or event schedules and that type of thing.

S 9: I would completely agree with that.

S 10: *Malsin*: One thing I would add to the principles on the financial side is that I don't think we would really be doing our job if we took the position that the deal was none of our business, or we can't actually talk about the deal because there is no deal yet. I think that's a pretty critical piece of this and I think that what we ought to be doing is laying down some principles for what we think the ultimate deal the City makes or doesn't make with the development group ought to be. For example, if we want to insist on certain aspects of that. I don't know what they are or what the majority of the committee thinks they ought to be. I am a little bit I guess concerned if the position that the teams would be taking is, we can't talk about the deal, because there is no deal. Well, I don't know what else there is to talk about. So I think it's pretty critical that one of our deliverables is to lay down at least what we see are the key elements of what a deal ought to be that the City ought to insist on.

- S 1: Other thoughts, reactions to anything we've heard here. Are there questions? We've gotten some very good suggestions. I think that modifying some of these and add a few.
- S 4: Two actually, one on financial principles and one on social principles. I'd have to think through a little bit more, but when we talk about existing city programs not to cut to help fund the project, I think we should mention existing and if they are any not existing yet, but there are City-planned programs that are already coming up that aren't really existing yet, those shouldn't be cut either.
- S 11: *Houck*: That was really what I think Amanda and John were getting at.
- S 4: I take it Amanda Fritz. Also on the social principles, I liked her idea, but expanded a bit. On to the third bullet under social principles, to expand too, not just the benefit of high school sports, but college sports, youth sports. It's a suggestion for a change in the principle and a question, I guess, for the Committee or maybe City staff. The commissioner and the last commissioner mentioned MLS Works and certain requirements for the team. Can we get copies of that information so that we know what team is going to required to do as far as youth sports and youth soccer?
- S 6: Sure, we can certainly ask that.
- S 1: Let me, as a minor digression from what you just said, there is at your place a sheet of paper that says MLS Soccer AAA Baseball Task Force, what information. Basically, what I wanted to do was to give each of you an opportunity to tell if there is some information, like the kind Billy just suggested, if there is some information that is important to any of you that would be important in the decisions or your input on this, that you say, I want to know this and I don't know this, then this sheet of paper has Dave's email on it, or you could write this down and mail it in or hand it in on your way out. But basically, we are trying to jump start things a little bit here, so that if there are some key pieces of information, there are probably a lot that we are going to be given that they may already have, but if there are some things that you say, I really want to know this, well, tell us. It seems to me our response is going to be, we have it, here it is, we can get it in the time frame, or we can't get it. I am pretty confident that we are not going to be 100% informed on making this decision, you rarely are, but if we can get, as the 80/20 rule says, if we can get 80% of the information in the time frame we have, we'll be doing pretty well.
- S 11: I am glad we didn't spend a half an hour doing protocols on how we should interact with one another on the committee, because that typically happens.

### **VIDEO CLIP 3A: SPONSOR INTERVENTION: ANNOUNCEMENT (4 MIN, 29 SEC)**

- S 1: *Maser*: Get underway and move expeditiously. The agenda is actually, really, Commissioner Leonard has asked to make a couple of opening comments. Merritt Paulson has asked for just a minute to say something as well. We have a few logistical

things to cover, but the main purpose of today's meeting is really to talk among those of us on the Task Force. We have been getting lot of presentations and a lot of information, and I think it's time that we should talk among ourselves, so to speak, about what are the issues that are of concern to us. And then we can frame the remaining meetings to try and address those concerns. So we have been getting a lot of information and had a lot of opportunity for question and answers, but I think it's time for us to get a feel for what everyone has been thinking and where we are on all of this. So that's pretty much the agenda. Does anyone have anything else they want to add to that? So let's just start with Commissioner Leonard, if that's OK.

S 2: *Leonard:* Thanks, Steve, very much. First, I want to tell you how much I appreciate the work you've all been doing. I have been following it very closely, so closely that it has become clear to me in the last week that you and I both deserve each other. It will be my intention to not just sit here and make a comment and get up and leave. I am going to be an active participant at each of the meetings from now until we are done. Because I care about this subject a lot and I don't want there to be any confusion amongst yourselves or in the community about that. So I've rearranged my schedule every Tuesday from 4:00 to 5:30 to be here until we are all done. As such, I am going to be as interested in the discussions and the comments as anybody else. I will participate and be viewing myself as a resource as issues arise, if questions arise, to make sure I get the answers for you, if somebody else can't, before our next meeting, or could get it to you in the interim. You are given a really important job, and it occurs to me that, with the level of importance and the significance of the decision you make, we should be really clear about what we are doing and why we are doing it. I believe that Portland is a city that should be the next city that's designated as a Major League Soccer team. That's my aspiration. However, I understand that the devil is in the details. Strictly and broadly speaking, I am asking you to help me, along with the City Council, to sort those details out, so that my aspiration and the city's aspiration doesn't get ahead of what the numbers may or may not say. So, in the broadest sense, your charge is to help us to figure that out and sort out the logistics of the financing of the decision and then help by recommending to the Council by sometime – in February, did we say? Was it late February?

S 1: Late February.

S 2: ...in late February a recommendation that frankly, I don't want to be cute about it, I hope is positive, because I think for a variety of reasons soccer is important for the city. Major League Soccer. Secondly, I just want to say I am happy to be here. I don't intend to hog the limelight, but I intend to do what I do and do it as effectively as I can to move this process along. So, if there are people who have worked with me before, if we start degenerating into issues that aren't moving us forward, I hope you don't mind me pointing that out and asking that we pick up the ball, as it were, and begin running with it. So, I'm glad to be here. Actually, this is probably the most fun thing I have done in a while, and I'm looking forward to participating with all of you in the next few months.

S 1: Any questions for Commissioner Leonard?

**VIDEO CLIP 3B SPONSOR INTERVENTION: CHARGE AND SCOPE DEBATE (5 MIN, 44 SEC)**

S 1: *Leonard:* Are you talking about just the baseball facilities? You said two parts. Or are you talking about soccer as well?

S 2: *Bradley:* Yeah, how is PGE Park going to be remodeled? What are we getting?

S 1: When you said something about two sides, which are the...?

S 2: Oh, well, there is the Coliseum side and the Lents side, presumably.

S 1: For baseball?

S 1: For baseball.

S 1: So you are talking about both.

S 2: Right, which...?

S 1: I am wondering, is this...again, I apologize for just kind of landing here and asking these questions, but are we confusing both of those subjects to the point that it is making your charge more difficult to focus on? Should we be focusing on soccer and then, once that question is asked, and you decide, I am assuming, if you decided "no," then why would you even think about another site for baseball? If you decide "yes," then you'd want to start focusing on the two options for baseball.

S 2: I guess I had wanted to see the whole, complete package to know what the option was, because my understanding of the charge was that we were supposed to come up with a complete package. I am not going to be able to make those decisions.

S 1: It seems to me that I would not want to spend a lot of time talking about where baseball is going to be if you end up deciding you are not going to have Major League Soccer. Because the baseball team does not move if you decide not to have soccer. So I would....

S 2: Of course, that's part of it. I thought that was part of it. I guess my thinking there, and it may be incorrect...

S 1: I'm just suggesting that one of the problems might be that we need to do is focus in stages on what the decision points are. And the first and most significant decision point is whether or not we are going to do a bid for Major League Soccer. That's a huge decision all by itself. The baseball thing could even, really, in some ways, be a separate process. For me, I think you really have to get your arms around first, and tell

me if you think I am off base here, whether or not you are going to agree to Major League Soccer. All by itself, that is a huge decision.

S 3: *Maser*: Well, let's take a few comments from folks here.

S 4: *Houck*: My understanding was, it was the whole package as well. And I don't mind, I mean, logically it makes sense to do as you suggest. However, I would be very concerned that making a Yes decision on the soccer did not then automatically mean that there was going to be a particular decision made on baseball. That's a critical thing.

S 1: No, of course not. But a little bit like the cart before the horse if you are talking baseball before you decide on the soccer. That's all I am saying.

S 5: *Thomajan*: I disagree with you, or I agree with you commissioner. I did a couple of weeks ago ask Merritt, I wanted to understand how linked the two elements of the proposal were. Because my understanding is that they are fairly inextricably linked. That an MLS team without a venue for the Beavers is kind of a deal breaker. So, at least on my part, I have been thinking in total that you really can't have one without the other.

S 6: *Jones*: I just want to add what he is saying, that it's very hard to make a conclusive decision about a soccer stadium not knowing what's planned. We have renovated PGE Park before, with less than successful results. How is this renovation going to improve the situation to the point where Major League Soccer is viable? And not knowing what the plan is, and if it's going to really improve the part to the level of a major league stadium, it's hard to make that decision. Even forgetting baseball, not even considering that part of it.

S 7: *Mohlis*: My thought has already kind of been shared, but my concern is: I don't want to move forward too fast on the Major League Soccer team and then afterwards go, whoops, we didn't put enough time into the Beavers, and they kind of get set aside someplace. So I want to make sure that we doing both of them justice.

S 8: *Powell*: It's kind of a big simultaneous equation. And it needs to be kind of approached in an iterative process. First you decide whether the Major League Soccer is viable. Then you look at what happens to baseball. Then you look at what you have to do to develop, to do the soccer. Then you go around the bush a few times, inevitably. Otherwise you wind up without one or the other concerns being addressed.

S 1: Just so you understand, my interest is that you find your time here as focused and productive as possible. My experience is, where you take on a number of issues at once in a group this large, you divulge into pockets of interests who have different ideas that sometimes aren't relevant to the bigger point. For me, I am just telling you, the bigger issue here for me is not, at this point, where the Beavers go to. It is whether or not we agree to do a bid for Major League Soccer. That is the significant issue and should not underestimated. You should not, obviously, if you decide not to do Major League

Soccer, then we are done as a committee. If you decide to do it, we need to have as much time as we need, this same group to make a recommendation on that. But that can be after March 1<sup>st</sup>. As far as I am concerned, you can continue meeting to make that decision, but you have March 1<sup>st</sup>. Seriously, you have March 1<sup>st</sup> as a deadline to submit an application. Spending a lot of our really valuable time now deciding something that could actually wait until that after that doesn't seem to be as productive as if you focused on the question about soccer first.

### **VIDEO CLIP 3C: SPONSOR INTERVENTION: CHARGE AND SCOPE DEBATE (10 MIN, 25 SEC)**

- S 1: *Logsdon*: Yeah, we would need to go back and take a look at that.
- S 2: *Bradley*: I just want to get things straight here. So really now what we are talking more about is that the remodeling of PGE Park is going to cost approximately 40 million dollars. So the city is now, the funds available to the city are somewhere between 18 and 23 million dollars. So, presumably you take the 40 million, you take, split the difference, 20 million away, and we are looking at generating an additional 20 million dollars' worth of funds. And is that what you want us to comment on, whether bringing Major League Soccer is worth the 40 million total plus plus?
- S 3: *Leonard*: Well, I guess that's where you would rely on David and the financial folks to say. What is the rational proportion of these funds that should go towards soccer given that we know we have a future obligation if we decide to do soccer to do baseball and then separate it out that way. So you have some rational reason for allocating the amount that you are.
- S 2: So do you not want us to pay much attention to the additional monies that may be needed for building a baseball stadium?
- S 3: I would say no, but only because there will be another process to do that. And for you to begin going down that road gets you mired up in a number of issues that you will not be able to separate.
- S 2: And I understand the land-use stuff and veterans and all of that. So, you just want us to essentially, so the charge is kind of changing here quite a bit.
- S 3: Actually, I would say we are getting back to the original charge. Our original idea was that, was focusing on soccer.
- S 2: So we should be looking at what the general fund – sorry, not the general fund – but what the ticket taxes can support and then is it worth the City spending an additional 20 million dollars from some other group of funds, too. Okay.

- S 3: Exactly. And how to do that and what recommendations you have for that and so on. Based on staff's input, whatever information you need, financial or otherwise.
- S 2: So pay no attention to the baseball stuff.
- S 3: I wouldn't say pay no attention. Obviously it's a corollary. But you have to. I mean, in the real world, you are making a decision based on funds that are available, but reasonably available for soccer, understanding that there has to be something less if you make a decision for soccer that you are going to do a baseball stadium somewhere. So obviously you have to. That's part of your decision. But if you get up.... All I am saying is if you get involved in the siting of it, you will be stuck on that.
- S 2: So there is no need to go look at those sites then, I guess. Okay.
- S 4: *Maser*: Are you okay, John?
- S 2: Yeah.
- S 5: *Desrochers*: Just the final comment. I think the way to handle this is, don't get site specific. But take a look what those kinds of stadiums cost typically and just feedback some general basic information about that upper limit or range that is possible and then we don't have to go doing the nuts and bolts of looking at this site or that.
- S 3: And that is why you run Portland State.
- S 6: *Myers*: I would like to say, I agree with Lindsey, that is critical, because if I was in Merritt's shoes, having to say I am in partnership with the City, they want to do this, we've got to be able, if this is going to work for him and for the city, if this were to happen. Because we could all sit here today and say it's like motherhood and apple pie, we want Major League Soccer without any financial cost attached to it. We have to have that. Or there is such an enormous contingency that the proposal is meaningless.
- S 7: *Houck*: So I guess I have a question. Task force charge. Baseball stadium site options and facility cost. Review and discuss the site options for the development of the new baseball park. Discuss pros and cons of sites and prepare findings and recommendations on the siting issue. I am sorry, but that sounds totally contrary to where we are at right now.
- S 3: I think that that was added as a mistake and shouldn't be. I am just saying, Mike, you have done so many of these processes. You have got to know. You have got to know that if you start going and visiting sites, then neighbors are going to know why you are not talking to them. Then special interest groups are going to know why you are ignoring them. You are going to be here March 1<sup>st</sup>, mired in Coliseum versus Lents. I am not telling you what you should do. I am just observing for you. You guys are stuck right now and I am trying to help you get unstuck.

- S 4: It is a case, I think, and let's sort of move forward here...
- S 7: My concern, again, I am going to make it very clear, is that we make a decision and all of a sudden a public park that's "free land," that doesn't cost anything for somebody to buy, becomes the preferred site. But *fait accompli*. I have seen it happen.
- S 3: I am telling you it's not going to happen. I promise.
- S 8: *Stacy*: I have a question on that funding capacity. That amount. Does that include the amount that is being asked for from SB5? The amendment that you are trying to do....
- S 1: *Logsdon*: Oh, no, that's strictly Spectator Facilities Fund, in that 18 million, and so that the state bill would be in addition to that. That's separate.
- S 9: *Barquin*: So, in a couple of questions, some are related to that as well. This sounds like for the spectators fund is 18-23 millions. That's the bonding capacity and I think the finance subcommittee is going to be looking at all this. But the other options that I've heard are SB5, which, is that the state income tax one? So an additional question on that, then, is more explanation about how the players' salaries are set. If the players' salary is going to be paying the income tax back, but the league average is, I believe, \$60,000, how much could we really expect from the team to be able to go to the.... What would the bonding capacity, assuming SB5 passed, what would the bonding capacity of that be as well?
- S 1: That's something we are going to look at through the finance committee.
- S 4: *Maser*: So we are heading down this right turn. We've taken a quick turn here. I want to make sure we are all okay with taking that turn. So, what we are saying is, we will spend the time we have left focusing specifically on soccer, the viability of a proposal to bring soccer here, which involves the refurbishing of PGE Park, the financial viability of that, public support for that, and then, to the extent that we have time, weigh in on the baseball issues. No?
- S 10: *Mohlis*: I thought what Lindsay said, we were going to at least make sure that there was a skeleton of a financial proposal to make sure the Beavers are going to be successful as part of it. We don't want to dig into sites. I think we at least have to make some kind of assurance that the Beavers are going to be taken care of someplace, so they just don't get thrown under the bus because we have a March 1 deadline.
- S 4: To use Jackie's framing, what we're saying is we will focus on soccer and assessment of that with, expecting that we will have contingencies to assure successful continuation of the Beavers. Is that...? Okay.
- S 11: *Jones*: Is it ridiculous to make an assessment on 40 million if it is really 85 million? That's my question.

- S 4: You could see how we keep getting back and forth going, confounding the two again.
- S 12: *Thomas*: Doesn't a "yes" on MLS imply that it's going to be more than 40 million? Once you say yes, there's a....
- S 13: *Thomajan*: I don't want to belabor this, but if we say yes on MLS, and I appreciate the commissioner's commitment, that that's Step 1 and there will be a through, robust community input process, but if and when we say yes on MLS, the horse is out of the barn and there will be a lot of pressure and I think a tight timeline to make a decision. And hypothetically, what if the community says Lents is the wrong place for the reason parks advocates are concerned about, and Memorial Coliseum is so fettered with issues that we can't touch it, where does that put us? You know, the cart would be in front of the horse. So that, again, circles me back that it's hard to think of one without the other. What would happen in that case, Commissioner?
- S 3: That's where it requires us on the Council to make decisions. And we would make a decision ultimately. That's the ultimate public process in front of the City Council and nothing would be done by this City Council, if you think about the constituent members of this City Council, that didn't have complete vetting in the community about every one of the potential sites. And my effort would be, along with getting the support if you recommend Major League Soccer, is to get the support on the Council to support whatever the consensus site was and whatever process was. That's where the hard work is. That's why I am here, so that I have the ability and understanding of the issues. And I probably should have been coming to all of these before now, so that I can fluently discuss with the people I work with, what all the ups and downs are, and what your concerns are, and make sure that we all are on the same page. Because this doesn't work unless we do that.

#### **VIDEO CLIP 4: FRAMING DECISIONS (1 MIN, 14 SEC)**

- S 1: *Maser*: The main item on the agenda for today is the consultant's analysis of the team financials. And let me just make sure if I've got this right, and Dave can correct me. The question is, Why are we having, why are we listening to this presentation? And the context for that, if I understand it correctly, is that essentially, where the city will enter into a long-term landlord/tenant relationship with Shortstop LLC. And so what are we really looking at is the Shortstop LLC. Are they a viable, feasible, long-term partner in a landlord/tenant relationship? Will they have the capacity/capabilities to hold up their end of a bargain, so to speak, in which they move into the city-owned facility. Is that a fair statement?
- S 2: *Logsdon*: Yes, I think it's a fair statement.
- S 1: So that's the context in which we want to review this material. The questions are, Are we persuaded this is a viable concern that we want to partner with?

## VIDEO CLIP 5: MANAGING HISTORY (10 MIN, 4 SEC)

- S 1: *Maser*: The next thing we wanted to spend a few minutes on is – Dave, this is the handout that you prepared. We can talk about that. In a couple of meetings that we have had, and in the finance committee meetings, one of the things that's come up and that gets referenced several times, is what happened with the City's last financial arrangement, in that case with PFE, and what were the financial consequences and implications of that bond issue, and what happened to the City and to others involved. So we decided it would be a good idea to ask Dave. There is a sheet labeled Consequences of Portland Family Entertainment Default. To just take a few minutes and describe for us what happened in all of that so that there is no misinformation among the Task Force members about what occurred in that. I know I learned something looking at this, so we thought it would be valuable if everybody had a chance to ask questions and Dave tell us quickly what happened. So, Dave, you want to just run through it?
- S 2: *Logsdon*: I will just really walk you through the bullet points on this sheet. As you probably recall, at the time PGE Park was redeveloped, the City sold \$35 million in bonds. The partnership of PFE contributed \$5 million to the project. The total project cost for about \$40 million. With that \$35 million in bonds sold by the City, we are paying \$3.1 million a year for debt service on those bonds and that runs out until 2023. As part of the plan to renovate PGE Park, the City secured some funds from the hotel tax and it was actually an increase in the hotel tax and vehicle rental taxes. We are getting about two thirds of the debt service for the PGE Park bonds from that source. And that leaves about a third of the debt service, or about a million dollars a year, that the City needs to generate from the Rose Quarter, a combination of Rose Quarter and PGE Park operations, to cover that, the balance of the debt service. And just to note, the \$2 million annual payment from the hotel taxes decreases by 4 percent a year. So over the long term, the share the City needs to pay increases; the share that we're collecting through the hotel taxes decreases.
- S 3: *Desrochers*: Could you say that again Dave? You said something about \$5 million.
- S 2: That was the contribution from the partnership, the partners, PFE. They contributed \$5 million to the Capital Fund for the renovation of the park. Now, we entered into an operating agreement with PFE. Prior to the construction of the project. And those...the agreements was based on projections done by PFE, reviewed by the City. They showed some pretty significant levels of profit that were being projected, so the City negotiated an agreement where we would share in that upside. So we had features in that agreement where, once gross revenues hit a certain point, the City would get [a measure of] gross revenues and other features like that. Really, about a year and a half into the operation, PFE started having financial difficulties. They became delinquent in their payments to the City in late 2002. And from the time where they became the delinquent until the time when the City terminated their agreement, the total monies that should have been paid to the City and were not, under the agreement, amounted

to \$2.3 million. Now, what the City did following 2003, we set a goal to try to collect some of that past-due amount through future agreements and we set a target at that point to recover \$800,000, and that has been built into the operating agreement starting in 2004. So the net in terms of what the City did not collect under the PFE agreement that we would have, amounted to a net of \$1.5 million. Now, since that default, the Spectator Fund has been able to cover our share of the debt service through a combination of new agreements for PGE Park and also the net income that the City gets from the Rose Quarter. So we have always met our financial obligations on those PGE Park bonds. I think it is important to point out that no general fund dollars, no general tax dollars coming to the City have been used to pay PGE Park bonds, any cost of this City for the PGE Park operation, or any cost the City incurs in the Rose Quarter. I think Portland has been very fortunate in being able to operate spectator facilities, and we have been able to do it in such a way that no general tax dollars have gone into them. So that's important to point out. Because there had been this assumption that because of PFE's default, the City lost a lot of money and the general fund had to pay for it. None of that is the case. And I think this is something that I didn't try to quantify this, but if you look at through the failure of PFE, the City ended up losing about \$1.5 million. If you look at the PFE partners, they lost many times that. Just the capital contribution to the project alone was \$5 million, let alone their other investments in their business. PFE took out a sizeable loan when they started up their business. They defaulted on that loan and the creditors lost many times what the City lost on the project. So, to put it in context, really the City lost the least amount of money of all the other actors in this era when PFE was the operator of the park.

S 4: *Thomas*: When did we enter into the agreement?

S 2: The agreements were probably signed in 2000, and the first year of operations was 2001.

S 4: So they went delinquent about a year into the agreement?

S 2: About a year or a year and a half into an agreement, they were in dire straits.

S 5: *Bradley*: Do you care to say what you feel the general cause of the default was? Was it overly optimistic attendance, failure to book music concerts or get them, day-to-day cost overruns, or all three of those put together?

S 2: I am thinking, I can't say absolutely for sure what happened, but I think if you look at the circumstances, it was a startup business, it was a new business, it was a partnership. They were responsible for overseeing the renovation of PGE Park within an eight-month window. They were responsible for purchasing a AAA baseball team and professional soccer team, bringing them to Portland, getting them up and running by 2001. They weren't an entity that had experience in running minor league baseball or professional soccer or necessarily running a ballpark. And I think they made some choices. I think particularly most sports businesses vend out concessions, hire a concessions company,

and allow them to operate it, and they just take a cut of the gross revenue. PFE choose to run all the concessions themselves. They had a dozen vendors in the buildings selling various kinds of products and I think that was a piece of their problem. They tried to really do too much. They were undercapitalized. It was a partnership that didn't have necessarily capital unless they made a call on the partners and that had its limitations. I think trying to do too much in too short a time was one of the factors, and maybe the lack of management experience. I am sure others would have different interpretations of what happened at that time, but at least those are some of the factors.

S 1: So my intent there was to clarify something. I hope it did. Any questions on...?

S 3: I don't agree yet. I think Dave should go back over, beginning with the annual debt that goes out to 2023 and the \$2 million annual payment from the hotel tax, and what's the residual \$1.15 million source to cover the debt?

S 2: That's the combination of the income we get on PGE Park and where we are short of leaving all of our cost obligations, the net income from the Rose Quarter makes up the difference. So the general fund has been always protected from many cost exposure for the City Spectator Fund operations.

S3: OK.

S 1: Did that help? Other questions?

S 6: *Thomajan*: I presume the ongoing debt through 2023, I mean, so we only lost a million five, but we made a sizeable investment in one vision that hasn't panned out. We are going to consider a sizeable investment in a revised vision. Will the ongoing debt for that original plan be subsumed into this larger...? How will that be serviced?

S 2: In the projections we have done for the Spectator Fund, on the expense side is the numbers for the PGE Park existing set. So when we talk about any net income that might be available for the new project, it assumes we've covered those existing costs.

## **VIDEO CLIP 6: RESULTS OF A PRIVATE STRAW POLL (15 MIN, 21 SEC)**

S 1: *Maser*: I am going to do a little bit longer introduction than I expected, because I want to report on something. The first question basically says, would the city benefit from having an MLS team and in what ways? And the second question says, what non-financial concerns are associated with bringing MLS to Portland?

Kind of anticipating these questions and partly following from some suggestions that were made, I took some time yesterday and today and called everyone on the task force and managed miraculously to actually contact everyone for five or ten minutes. Some of those conversations happened at about ten of 3:00 and one of them happened at about ten of 4:00. But I did get to all of us and I asked two questions.

And I want to be real careful about the – I literally read a script to make sure that I was asking the same question. I am not an expert on survey research design, but I was trying to get a sense for what we as a group were thinking. To try and focus us today and in the subsequent meetings that we focus on the things that are of concern to us.

So I gave everyone the option not to respond, but everyone chose to respond and here are the 2 questions. If you had to vote today or express a preference, so to speak, on a proposal to Bring Major League Soccer to Portland by refurbishing PGE Park and building a new baseball stadium somewhere in the city with some form of city involvement (notice how broadly crafted this question is), are you inclined to favor the proposal or to oppose it? And, from a count perspective, it was 17 inclined to favor the proposal and one inclined to oppose it. Now that gives us a reading that I interpret that says that as a group what we are thinking is, if there is a way we can do this, we should try and do it. We should focus our attention on what it would take to make this happen.

Now, I report this with all kinds of caveats, because the second question, which is probably the most important and gets to the questions we are asking here is, what are your concerns? Are there any deal breakers?

I would say two things sort of editorially. Of those who were inclined to support some movement in this direction, in the recommendation to the Council, I would say the level of enthusiasm ranged from *Why not, it can't hurt? To this is a great thing for the city.* But the broad bulk of us pretty much said, *this is a good idea if it pencils out.* And that's where the devil is in the details.

I will say editorially that I was kind of surprised, even as broadly as I wrote this sentence. And some people said, how can you say no to that? Well I don't know, I have spent a little time on the web, reading some blogs about all of this and if, of the blogs I have read, about 80% on a Portland Tribune article were opposed. I mean, they were saying things like, the inmates have taken over the asylum, why is anyone even thinking about this? And I had no idea whether that would come out. There clearly are people who feel strongly in the community about the proposal, to be honest. So we have to be aware of that.

But, also, that is our elected officials' concern. Our job was to try and assess as much information as we could in a short period of time. On behalf of the Council and the elected officials. Our job is to stick to that.

So, the second question I asked gets to some of these other questions that came up, and then we will start talking about them. So I kind of crafted, I wrote this stuff up literally at 3:00 PM and I didn't have as much time to edit it. So I will do that and then distribute it and will put the stuff up on flip charts eventually. But I can summarize the main themes of what I heard. I always, even people who have said this is a great idea, I always said, Why? What's the reason why this is a good idea? What are we perceiving are the

benefits? When I report this, I am not saying everybody said these things, I am just kind of itemizing. But I did hear a lot of repeated themes.

Several people feel that a sports franchise will energize the city or parts of it. Having two major league franchises in the city provides intangible benefits. It's a good thing. It's an additional cultural amenity. That's a good thing. There are people who feel that the demographics support soccer and they are optimistic that that's going to grow. There will be natural rivalries on the west coast, which I interpret as saying that there are folks on this task force, not everyone, who think it's likely to be a viable business enterprise. Some people see soccer as well managed and it's going to benefit the City if the league grows. Some people, not everyone, see marketing benefits to Major League Soccer, both in terms of national and international visibility. They see international teams coming to the city and they do see some economic development benefits from that. I will say there is some clear skepticism on the task force about the projected economic development benefits, so there is a counter to that. So, some people do see new jobs, new money, new infrastructure associated with this.

Some people among us have questions about the right way to make this investment, but I would say there are quite a few people who sort of say, making this tenant improvement to PGE Park is a good thing. There are several of us who are persuaded (but not all) that PGE Park is really not configured right for its current mixed use and it would be better to redesign the park for a soccer/football use. That is a better fit. And they see other constituencies. Again, this was mentioned several times. A few people have questions about it. Not everyone agrees, but a lot of folks think that the downtown location is a good thing. And another benefit is the proposed outreach to the City's youth and interest in soccer.

So those were the kinds of benefits that, as a whole, putting them all together, different people in these conversations would itemize for me. So I am not saying there is uniform agreement in all those. Those were just the kinds of things that I heard.

But it's premature, I think, to have a headline tomorrow saying "Task force supports this proposal 17:1," because of the concerns and contingencies. I would say, and we will deal with this more when we talk about the finance subcommittee, there are people here who feel fairly comfortable with the financial projections. We have heard all of this information and so on, but there is a pervasive feeling on the task force that there is a risk here and the city needs to be protected from those risks. It is pretty widely – I have heard that over and over again. Different words were used, but there's a very strong theme that says we can't put basic City services at risk: fire, police, schools, roads, parks. We can't put basic city services at risk.

I agreed not to reveal what anyone in particular said, but of course any of you are welcome. Anyone can say as they wish. There are people who do not want the general fund accessed. There are people who want to ensure that the City is not exposed to losing any money and they want guarantees. There are people who are not fully

persuaded by the financials. There are references to, "We don't want another tram." I hear the wording come out in that way.

So, whether people here want guarantees to the revenue flows or they want the city to feel good about the deal, the wording took on different ways. But there is a pretty strong sense among this group that we don't want to put the City at risk. I did push on that a little bit because of what Steve Janik said. There is kind of a relationship between the risk that any party enters into and the reward. And early on in this discussion, there was a strong sentiment that this city should benefit from the upside of any of this, whatever upside there is. I would interpret what I am hearing here is consistent with what Steve said, Steve Janik. The more risk anyone takes, the more benefit they should realize at the end.

If the City minimizes its risk, significantly, cuts it to the bone, we've got to be prepared to expect that the proponent of the proposal should be allowed, if they are going to step up and cover the risk, we shouldn't be surprised if this does benefit as they hope it will, that they capture a lot of that benefit. If we want more of the upside, then the recommendation to the City may be we are going to have to take more of that risk. That's kind of the way these things get negotiated. So there are concerns about that.

There are concerns about what will happen if the State doesn't act as people are hoping. There are concerns about the approval of the urban renewal districts. And again, these are things that more than one person said to me. Will the urban renewal districts be configured appropriately and are there credible dollar limits on that? There is an expectation that many of us have that more private funds are going to be brought to the table to support this program and that there are adequate financial reserves in place. So there's a big caveat here on the financing of this deal. It's an overarching concern that we feel the city is protected.

There are two other things, three other things I would mention in terms of Shortstop's commitments. People would like some commitments for jobs, for outreach to the community. As I said, there is some skepticism on the financials, the economic development projections, and the projected revenues, particularly for non-athletic events. With respect to PGE Park, there are some current concerns about the aesthetics. I wouldn't say any of these things that I am talking about now are deal breakers, but they are concerns about the aesthetics of what will happen with the expansion from the street sightlines. Questions about whether remodeling PGE Park is in fact a first-class way to go. And for both sites there is concern about parking. I think maybe these are things we can get more information about in the next week or two, but several people are really concerned about what is the need for parking.

On the Beavers, I am not sure how to word this. It seems pretty clear to me, for some people in this group, the Beavers leaving Portland is not acceptable. That could lead to a vote against a proposal if promoting Major League Soccer came, and they want a commitment to the Beavers staying in Portland. And more than that, there are several

people here who want a commitment that there is clarity on funding the baseball part of this project and its location before we go to the Council with our full recommendation. Some people are comfortable with not having that, but there are some people who just could not support a proposal if they didn't feel like the baseball part of this was further along than it is right now. Some people, a couple of people, are concerned that the baseball stadium decision doesn't preclude Major League Baseball even if it's not 10 or 15 years away. And yes, there are several people, not just one, who are concerned about the use of public park space for the project.

And I guess the last thing would be that I picked up, and again, it's something I hadn't anticipated, but I actually heard it from several people. There is even some concern, this is kind of a detail, and I don't say it's a deal breaker, but it's an interesting point. About the nature of the field, particularly in the PGE Park, about whether it's natural turf or grass. And a very good explanation that helped me understand that, while some people think it's got to be grass, because that's the way we get international games brought to Portland with all of the benefits. But there are other people who say, if you put grass in that field (and it's artificial turf now, right Dave?), in which the city made a significant investment, that that might actually preclude many of the community benefits that we have been told will accrue to this. That you can't have PSU football and high school football, one on a Friday night, one on a Saturday, practice games on the grass field, and expect the field to be in shape for soccer. For several people on this group, that's actually a significant issue and I kind of understand that. We have been told 250 community benefits and interestingly enough the ability to reap those benefits, some people feel turns on whether it's grass or turf. So that's something that I don't think we as a task force necessarily we have to come to an agreement on, but it's something that we send to the Council and say, you've got to attend to this somehow in whatever deal gets negotiated.

### **VIDEO CLIP 7: PUBLIC TESTIMONY (9 MIN, 58 SEC)**

S 1: *Maser*: The way we are going to proceed with this, is to ask two people to come up at a time and sit at this table. Basically, stay there. We'll have like two minutes per person. That's not very much time, so try to be succinct. Mark, over here, is going to give you a high sign when you are at a minute, and then when there's ten seconds left, and then I guess when you are out of time as well. Hopefully you just wrap up very quickly when you see the ten seconds. I am not sure what will happen....

S 2: *Thomas*: You don't want to find out.

S 1: You don't want to know what will happen if you.... So, what I am going to do is, there are, I am looking at 26 *pro* names and five *against* names.

S 2: just get the cons out of the way...

S 1: What's that? No, no, we'll go two and two or, I guess we have an odd number there, but we'll do something. Please forgive me if I destroy your name here, but I will do my best. I will ask the first two, Sean Moran and Joe Rastetter to come up first, and then Gil Fry and then Leroy Arnett will come up in the batter's box, so to speak, to come up next. I guess we'll start with Shawn. Introduce yourself and we'll start.

S 3: Hi, my name is *Sean Moran*. Can I just give you some information here? Again, my name is Sean Moran. I am the President of Hollywood Soccer Club. It's a recreational youth soccer club here in Portland. I am also on the board of Northeastern United Soccer Club and an ex-board member of Portland Youth Soccer Club, which has, I think, about 15,000 members. A member of Oregon Youth Soccer Club, which has 56,000 youth members. I'd like to start by thanking you all for your time. I have been at many of these meetings and I know you have done a lot of work. I am here to represent Portland youth soccer. Anyone who has children who play soccer or baseball can attest to the poor condition of the fields in Portland. The grass fields at Portland parks and the schools. Last season, our club was the recipient of a \$3,000 grant from the Portland Timbers and Portland Beavers Community Fund, which was applied towards field maintenance and improvements. Last season, last summer, I believe, \$100,000 was applied to youth soccer and baseball in this community. I believe next, this coming season, they are hoping to up that to, I believe, \$150,000. If we get MLS, I just see that just going up exponentially to help out the poor fields that we have in Portland. I'd just like to finish up with: Please invest in our sports youth. We are really excited about sports in Portland for this. Thank you very much.

S 1: Thank you.

S 4: *Rastetter*: I am ready.

S 1: Yes, go ahead

S 4: Hello. My name is Joe Rastetter and I come here today full of good energy from an amazing Jobs with Justice 7th annual Faith Labor Breakfast this morning. That's who I am. I am a person of faith working for justice for workers in this deal. I have also worked as a vendor at Civic Stadium, PGE Park several times each year since 1966. '66, that was the year Lou Pinella and Ray Fosse took the field. Now two years ago, when City Council voted for the fourth time to reinstate a fair wage policy at PGE Park, I informed an usher there, a grandmother of five working two or three jobs to hold her family together, that the fair wage policy would give a raise from \$8.25 to \$10.25, and she cried. Workers are stakeholders, too. Don't you agree? Now \$10.25 for an hour is not a living wage in Multnomah County, but it might be enough to avoid waiting in line in a food bank or not. Earlier, workers at Memorial Coliseum and Civic Stadium had other reasons to cry. The city's public-private partnership with the Blazers and Portland Family Entertainment resulted in unions being busted and lost wages. After Mayor Katz observed workers picketing the 1990 groundbreaking ceremony at Civic Stadium, she twice pledged to them that she would work to see that they would not lose ground in that

deal. But they lost a lot. The negotiating team and City Council dropped the ball and the fair wage policy was not enacted until the day before opening day and in a weakened form. It was out of effect for many years. It currently covers only about half of the workforce and continues to be subsidized by the City's spectator fund. Justice indicates that all workers building and working in our public facilities should make a fair wage and the cost should be borne by the employer, the operator. Please make these revisions a recommended requirement to City Council and to the City negotiators. Thanks. Peace.

S 1: Thank you both. While Mr. Fry and Arnett come up, let me suggest a third... following them.... Two comments I want to make. Sean Levy and - is it Harley Wadell? - would be next. Let me also remind you that at the back of the room there is – I forgot to do this at the outset – there is a form here labeled MLS/AAA project public comment. So anyone who either has more to say or doesn't get up here to the speaker, please feel free to make your comments on this form. Pick up the form back there and leave it for us so we can review it before our next meeting. Introduce yourself and you are on.

S 5: This is not enough time to tell much of history, but here goes. I am *Gil Fry* of Milwaukee, Oregon and I advised the Portland Development Commission in 1990 or 1991 that we were talking about possibly the most valuable piece of real estate in the state of Oregon. I believe it was true then and I believe it is true now. By the year 2000, the City selected Urban Design Associates to advise the City of the future of the Rose Quarter. They were paid about a quarter of a million dollars for the following advice: Before the City makes a final decision on closing the Coliseum, the City must fully evaluate the needs of current tenants. This was true then and true now. My opinion is that there may not be five people in this building who could tell me about all five of the Coliseum customers of the current 40-day period. And here they are. If there's five people that could name all these, that could identify these pretty good: Avenged Sevenfold and Buckcherry, CFA Championship Cat Show, Thomas and Friends Live, First Robotics Competition, and Rock and Worship Road Shows. Is there anyone that knows about all of those? I was gonna offer two Blazer tickets for the winner and I forgot to bring them. And I figured....

S 1: Someone in the back raised a hand.

S 5: ...I figured maybe it wouldn't be appropriate anyway. But anyway, there they are, and you had to listen carefully, but I'll tell them again to you if we have time. Because the Oregon Arena Cooperation went bankrupt, the Global Spectrum did something no one expected. The Rose Quarter became the busiest complex in the world for two straight years.

S 1: I think time....

S 5: In a row. They hosted 191 events in 2006.

S 1: Excuse me, Sir.

- S 5: You guys were four to six minutes late and I am almost done. You were, you were late, six minutes late in getting started. You took my time. Beginning in 1999, the Memorial Coliseum lost money seven years in a row. Total losses were over a million dollars. *The Oregonian* reports that during a ten-year period Mr. Alan withdrew \$24 million and then it is reported that at least one of his firms went bankrupt. Thank you for your time. This weekend, you will find wrestling. The Oregon State Wrestling Championships are at the Coliseum this weekend and they'll bring in 1,300 people, 1,300 competitors to our town.
- S 1: Thank you.

### **VIDEO CLIP 8: SINGLE TEXT NEGOTIATION (2 MIN, 4 SEC)**

- S 1: OK, so, then, in the time we have remaining, we want to talk about the highly preliminary, very tentative, we're-still-thinking-about-it recommendation, here. And again, I guess Dave and I, Conrad, Lindsay, Jackie; I think there were a set of us who kind of took our notes from the last meeting and tried to sort of come up with something in words that we could distribute now and sort of say, alright, have we captured the sense of what the task force is thinking? I'm not sure at all that we got it right, but this is where we kind of wanted to spend a little time talking through this and see if we've missed something, what, why and so on.
- So the basic concept of the task force recommendation is that there's a basic recommendation that supports, that recommends to the Council to support a proposal by Shortstop to bring Major League Soccer here, with the City refurbishing PGE Park and developing an alternative site for Triple A baseball, and then we have these nine conditions. And the question is: Have we missed a condition? Have we appropriately captured in the wording we used here, what we seemed to be forming a bit of a consensus about at the last meeting? So, I guess we can just walk through these things. I don't know if everybody has poured over this in detail, so I think maybe we better just walk through it then just sort of say....I guess I could start out, if it's more efficient, and say, for anyone who has looked at this list, is there anything that's jumping out and you're saying, "Woah, I don't know if I can't live with that," or "That's a problem"?

### **VIDEO CLIP 9: LESSONS LEARNED (8 MIN, 58 SEC)**

- S 1: *Imperati*: Well, Steve, congratulations. You've successfully facilitated a public process that brought Major League Soccer to Portland. Debriefing is a good thing to do after each of these processes. What were the lessons learned?
- S 2: *Maser*: Well, thanks. There were two or three. It was a very educational exercise. I think one of the most important lessons has to do with what I would call the setup of the entire exercise. I took the task force that was given to me by the sponsors, with 18 members. And I took that as a given and that I had no influence over that. In retrospect, even though we were under tight timelines, I would have taken the time to sit down

with at least one of the sponsors and had them explain why each person was on that task force and talked through whether there were any significant stakeholders who were not at the table—that they had some reason for not wanting or didn’t put at the table. And the reason is because when we presented our report to the City Council, there were two significant stakeholders, Portland Public Schools and Multnomah County, within which the City of Portland exists, whose representatives stood up and lambasted the Council for not being included in the process. And they had a significant stake in the outcome, because one of the proposals for financing the stadiums would have involved a mechanism that would have affected tax revenue flows to those two bodies. And in retrospect, I realized I should have talked to the sponsors, asked those questions, and at least [have] known if there were other stakeholders who should have been kept informed or whose interests might have been represented in some way, whether they were at the table or not.

- S 1: *Imperati*: Well that raises the issue of balance and internal and external credibility. To have at the table the deal-makers and the deal-breakers, so when people look at the composition of the task force, advisory committee, or planning group, do they say, “Wow, if these people can come up with a consensus recommendation, it’s probably one that’s balanced and worth seriously considering”? It’s always important to look at the composition and see if it’s balanced and transparent. What else?
- S 2: *Maser*: Well, I think the other issue that was significant had to do with, [was] triggered by Commissioner Leonard’s intervention a quarter of the way through. I think the lesson I took from that, although there’s no guarantee that anything I could have done could have precluded that, was that when the sponsor said to me, “This is the task force, you know our views, we’ll respect what you say, we’re going to leave you alone to do your work.” In fact, they took, as they probably should have, a continuing active interest. They watched the video recordings and when they didn’t like what they were seeing or wanted to get the task force unstuck, Commissioner Leonard came in. And I realized that if I could do it over again, I probably would have set up some more systematic, continuing, regular communication between me as the chair and the sponsors, so I could have understood what they were thinking, they could have understood what I was trying to accomplish. And would that have precluded that particular episode? It’s hard to say. But I still feel it would have been better, if I was concerned about maintaining the neutrality of the task force and keeping its independence from the sponsors, but I felt as though, in retrospect, I probably should have maintained communication with at least one of them, probably Randy Leonard, on a fairly regular basis, just touching base about how they perceived things were going and so forth.
- S 1: *Imperati*: Well, it sounds like there was an attempt to change the charge or the scope of the group, and you had the expected reaction from the folks sitting around the table. Some were pleased with that intervention; some were displeased with that intervention. And from the facilitator/mediator’s perspective, it raises the question of who is your client to whom do you owe a duty of care. And one could argue it’s the sponsors. After all, they’re the one paying your fee, although in this case you did it for

free. That was very nice of you. On the other hand it's the process; on the other hand it's the task force itself. So thinking ahead, clearly defined expectations sounds like one of the takeaways. What else crosses your mind in hindsight?

S 2: *Maser:* Well, I think the last significant takeaway for me was that when I introduced my role and took the charge to the task force, I told them that I wanted to try and work towards a consensus. The sponsors had set this up so that any minority of three who agreed could file a minority report, which sort of implied majority rule. But from the outset I wanted to try and get to a consensus. And I told that to the task force and I said, "Unless anyone objects, that's what I'm going to do." And I realize in retrospect that I don't think they understood what I meant. I assumed they knew what that meant, and in fact I don't think it is commonly understood what a consensus-based decision-making approach is, especially in a political environment like a city municipal task force. So what I would have done differently is I would have introduced a document like the document you produced over years of working with mediations and learning lessons from them, which is a set of collaboration principles. And I would have distributed that document, probably in advance, certainly at the first meeting. Again, it would have taken time. And any time that's invested in process seems like it's wasted, but it's not wasted. I would have had them look at that document. I would have explained what a consensus-based approach to group decision-making is, asked if they understood it, were they comfortable, did they have questions, did they want any changes, so that they would take ownership of it. But it would have been more clear what I was trying to do, why I was doing what I was doing, and what the rules of engagement were going to be. We did spend a lot of time early in the sessions, starting with the procedures that the sponsors gave us, but they were not nearly as clear as the collaboration principles tool that you've devised. That's a really effective document for starting that discussion and getting the group to understand what consensus-based decision-making [is], how it works.

S 1: *Imperati:* It's interesting. If you go to a convention of mediators and facilitators of public policy matters, there's a whole variety of opinions of how do you operationalize the term "consensus." And so having clearly defined, mechanical explanations of that in the agreement to mediate ahead of time really sets out the ground rules and increases the chances of process success. So, what ever happened? What was the end result from a substantive perspective, and what are your thoughts about it?

S 2: *Maser:* Well, I think on the whole, certainly history has shown us that Major League Soccer has been a success in Portland. The approach we used to getting a consensus was to tease out all of the interests of the different parties at the table, and to get a consensus once we realized that, in general, the group was strongly predisposed to approving the proposal on a set of conditions, each one of which addressed one of the concerns of people at the table. And we came up with ten conditions that everyone approved. And to be honest, when we sent that recommendation to go forward under these ten conditions, I really didn't think the Council would agree. I thought the ten conditions were fairly onerous. But to my surprise, in my view, they actually wound up

meeting nine of the ten conditions, all things considered, in terms of the way it was funded and the risk and so forth. The one condition they didn't meet, one of the conditions was: Don't bring soccer to Portland if it means that we lose the Portland Beavers. And in fact there really was not a will to figure out where to put another stadium, and in the end the Portland Beavers were sold, moved to another state. A couple of years later, a suburb of Portland built a baseball stadium and brought another minor-league team to town. But we lost the Beavers and that was unfortunate. But on the whole, it brought a second professional sports franchise to the city that has been very, very successful. I think everybody thought the process worked well, a good outcome, and people were satisfied.

S 1: *Imperati*: Well, thank you for your efforts then and now, giving us some insight into how to effectively facilitate public processes cases.

S 2: *Maser*: Thanks, Sam.

S 1: *Imperati*: Good job. Thanks.