

SB 1501 -3 STAFF MEASURE SUMMARY

Senate Committee On Rules

Prepared By: Leslie Porter, LPRO Analyst

Meeting Dates: 2/11, 2/25, 2/26

WHAT THE MEASURE DOES:

The measure authorizes the Oregon Department of Administrative Services to enter into agreements to own and operate the Moda Center in the City of Portland. It establishes that the agreements may not obligate state moneys beyond those in the Oregon Arena Fund (Fund), and that the agreements may not pledge the taxing power or the full faith and credit of the state. It creates the Fund in the State Treasury. It establishes that the Legislative Assembly is not obligated to appropriate moneys to the Fund. It dedicates certain tax revenues to the Fund, related to work in, and around, the Moda Center, only if a men's professional basketball team has signed a lease for the Moda Center. It declares an emergency, effective on passage.

Fiscal impact: A statement has not yet been issued.

Revenue impact: A statement has not yet been issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-3 The amendment adds a definition for "joint authority" and changes the definitions of "performer" and "Rose Quarter." It adds permissible uses of the Fund to include repair, maintenance, and deferred maintenance. It requires DAS and the State Treasurer to ensure that certain moneys are separately accounted for and used in specific ways. It establishes that the State of Oregon is not obligated to deposit moneys into the Fund. It states the Legislative Assembly's intent is to issue debt instruments sufficient to yield \$350,000,000 in net proceeds to support construction and renovation of the Moda Center. It specifies start and end dates for the Department of Revenue (DOR) and DAS to report specified information, and allows DOR to share certain information with DAS for reporting purposes. It establishes conditions that must be met for the State Treasurer to issue debt service. It also requires certain provisions be met in an agreement between the joint authority and a management entity.

BACKGROUND:

Originally named the Rose Garden, Moda Center opened on October 12, 1995. It was developed by the Portland Trail Blazers' owner, Paul Allen, as part of his vision to revitalize Portland's Central City. Moda Health secured the naming rights in 2013, therefore renaming the Rose Garden to Moda Center. With a seating capacity of over 19,000, it hosts several types of events, including Trail Blazers games, concerts, and entertainment shows, making it Oregon's premier large indoor sports and entertainment venue. According to the City of Portland, it generates \$600 million in annual economic activity and supports thousands of jobs.

The City of Portland acquired Moda Center in the summer of 2024, due to the end of the original lease, and entered into a new operating lease with Rip City Management and the Portland Trail Blazers, which expires in October 2030.