

Paulson, Portland should be a good fit -- if he figures out how things work here

By [Anna Griffin, The Oregonian](#)

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Merritt Paulson should be a good fit for Portland.

Sure, he's rich. His father worked for George Bush. He's not from around here.

But Paulson, the lanky 36-year-old owner of the [Portland Beavers](#) and [Timbers](#), has a few things in common with the average Oregonian. He loves the outdoors and disdains neckties. He's raising his kid to understand that umbrellas are for wimps. He's not afraid to scream at the refs. He is, unlike a certain other Portland sports owner, eager to be active in civic life.

Yet Paulson's effort to bring [Major League Soccer](#) to town and find a new home for the Triple-A baseball Beavers has been a much harder sell than it looked on paper. Paulson shares a chunk of the blame.

We're watching, in his fumbling struggle to win taxpayer help building his mini-empire, the very public education of a young man who has already invested some \$16 million here and promised much more.

He could be a major player in Oregon's future, particularly if we hope to ever woo another major sport. But to do that, to even get the current deal done, he must learn even more about how business works here, about the unique challenges required to succeed in a place that's so innately skeptical of the power and money he seems to represent.

Let's get one thing out of the way: Paulson was not born with that clichéd silver spoon in his mouth, or with parents who promised him the moon just because he was their little man.

Yes, Wendy and Henry Paulson were wildly successful. An All-Ivy League offensive lineman at [Dartmouth](#), he had earned \$500 million or so on Wall Street when he left [Goldman Sachs](#) to become U.S. treasury secretary in 2006. The daughter of a Marine, she was president of a [Wellesley College](#) class that included good friend Hillary Rodham. But as strict [Christian Scientists](#), both believed in showing a certain discipline in both lifestyle and spending habits.

They drove used cars and wore their clothes until they needed patching. Paulson recalls cringing as a boy when his mother picked him up from school wearing no makeup and the same dirt-stained clothes she gardened in. She watches birds, he fly-fishes, and they raised two kids alongside a menagerie of animals that included dogs, cats, turtles, mice, frogs, a tarantula and snakes.

Amanda, the younger sibling by two years, attended public schools. Merritt went to a private high school but worked most summers.

"I remember how hard he tried to get out of this construction job," says Amanda, a reporter with the Christian Science Monitor. "He said the work site was filled with asbestos. When that didn't convince them, he started swearing at home and saying he'd learned it at work."

Instead of Christmas gifts, the family went on exotic trips that usually involved some sort of outdoor adventure. Paulson was in college when they toured the Galapagos Islands. He was snorkeling with some sea lions when a bull decided he'd gotten too close and bit a chunk out of his abdomen. Someone else on the trip closed the wound with a needle and thread.

"It didn't strike me as a coincidence that Merritt was the one who got bit," his sister says. "He's like

my father. They both are a little impetuous and stubborn, and they both enter into things wholeheartedly."

Draw whatever parallels you'd like between 700-pound bull sea lions and members of the Portland City Council.

Paulson earned an English degree, just like his father, and then an MBA, just like his dad.

After that, however, he headed west to work for an Internet start-up. He returned east after a few years and joined the corporate world -- he was an executive with [HBO](#) and then the [NBA's](#) entertainment arm -- but soon began looking to buy a minor-league sports team.

A lean 6-foot-3, Paulson has always been an athlete and sports nut. He played shortstop as a boy and learned to hate losing following the [Chicago Cubs](#). The family money meant that, unlike most fans, he could make his hobby a career.

Buying a big-league team wasn't really an option, partly for practical reasons: The difference between Henry Paulson's millions and Paul Allen's billions is the split between a [Rose Garden](#) janitor's salary and [Brandon Roy's](#) per-game paycheck.

Besides, Paulson didn't want to be anybody's silent minority partner.

"He wanted to actually get in the dirt and run the thing," says Corey Busch, a former [San Francisco Giants](#) executive who Paulson hired in 2005 to help find a team. "He wasn't some spoiled rich kid who wanted into sports for the glamour."

Paulson and his wife, Heather, first got serious about Petaluma, Calif., in the wine country about 35 miles north of the Golden Gate Bridge. Paulson planned to buy a Single-A baseball team for \$4 million and spend another \$20 million building a ballpark. In exchange, he'd get tax breaks, infrastructure help and a cheap long-term lease.

Talks died over about \$1 million in guarantees the city and state wanted from Paulson. That's not a huge amount of money in the grand scheme of the deal.

"I'm pretty sure there was some miscalculation in Petaluma about who Merritt was," Busch said. "I don't think they believed he had other options or was willing to walk away."

Late in the Petaluma negotiations, Busch called an old friend about another matter related to Paulson's plans. The friend suggested that if Petaluma didn't work, Paulson should check out Portland. He did.

The Beavers and Timbers' recent history is bleak, with poor teams and absentee owners. Paulson arrived in 2006 like a sports savior, a handsome, energetic guy with money to spend and an interest in both sports and the kind of laid-back lifestyle the Pacific Northwest offers. He won the hearts of Timbers fans quickly, storming the field to yell at refs at one of his first games and showing up regularly at the [Bitter End](#) pub to buy everyone a round.

But succeeding here takes more than just enthusiasm. You have to know the place.

Paulson had scant experience in the public eye, despite his father's prominence. Before his first Portland news conference, aides prepped him with sample questions. What are your plans? How involved is your dad? Are you a baseball fan?

"Merritt, what about Portland's reputation for being anti-business?"

He couldn't figure out why anyone would ask the last one.

People who have faced off with Paulson say he is a serious businessman, not the stereotype of a spoiled kid playing with daddy's credit card.

Still, he has an occasional air of innocence. Timbers fans laugh, mostly with affection, about the time they honored Paulson by dressing for a game in his typical ensemble of khaki pants, belt and dress shirt. Paulson made his usual pre-game stop in the stands but had no clue of the stunt until someone pointed it out.

He says he knew what he was getting himself into when he moved to ultra-progressive Portland.

Business owners regularly complain that Oregon, in particular its largest city, is a hard place to turn a profit. There are many reasons Nike is Oregon's only Fortune 500 company, or that Columbia Sportswear execs bolted for the suburbs eight years ago. City and state leaders still haven't figured out what our post-timber economy will look like, or what to do with all these young creatives.

Paulson never mentioned the prospect of trading Portland's minor-league soccer team for a Major League Soccer franchise when he bought the Timbers and Beavers, but the possibility was on his mind. He spent his first years rebuilding the fan base, improving the food options at PGE Park and donating both money and equipment to local little leagues.

In summer 2008, he went public with the possibility of winning an MLS franchise. He would put up the \$35 million to buy a team. But he wanted taxpayer help making PGE Park more acceptable to the MLS, including turning the current boomerang-shaped bowl into a horseshoe, and finding a new home for the Beavers.

"I'm not out to rob and steal, but I have a bottom line," he says. "My father loaned me money. He expects me to repay it. I don't even have equity in my house."

Paulson is still negotiating with Portland leaders over the PGE Park renovations and with Beaverton leaders on a new baseball park, after plans to put the Beavers in the Rose Quarter and Lents both imploded.

In a typical town or a typical time, both deals would be complete by now. But there's nothing typical about Portland these days. Post sex-scandal, Mayor Sam Adams has little political clout. Oregon's economy is in the tank, and pretty much every branch of government is broke. Republicans were unpopular even before Bush and Paulson's father failed to predict or staunch the national financial collapse.

Some of Paulson's problems are of his own making.

He's showed a tin ear for politics, particularly our unique frontier blend of idealism and skepticism. He bought a home in Lake Oswego and hired the well-heeled [Gallatin Group](#) to lobby for him, not exactly man-of-the-people picks. He's often behaved, particularly when criticized or challenged, like exactly what he is: A 36-year-old with a short temper and little experience in big-time public negotiations.

Earlier this month, for example, he told Beaverton officials that he will not bring MLS to Portland if they cannot find him a home for the Beavers. Portland leaders took that as a threat. Although it's actually a logical thought -- MLS execs say the two sports cannot share space -- a wiser businessman would have found smoother phrasing or just kept the sentiment to himself.

"Merritt wears his heart on his sleeve," his sister says. "That probably hurts him in the public eye."

Still, Paulson adjusted his business model without public grumbling when city leaders went back on their original plan to raze Memorial Coliseum for the Beavers. He dutifully visited to Lents to pitch a ballpark, even though he knew he'd get booed and it wasn't anywhere near his preferred location. He hasn't complained about some of the unrelated political circumstances that have complicated negotiations -- say Adams' behavior and ensuing loss of clout or Commissioner Randy Leonard's quick temper.

And he's never played his ultimate card.

Paulson could be a key player in Portland's quest for another big-time sports team someday. Or he could leave. His PGE Park lease expires next year. His only real tether to Oregon is a sense that you should finish what you start.

"These are intellectually challenging problems. I'd probably be enjoying the debate if I wasn't so emotionally invested," he says. "But it's not why I wanted to go into sports. I just want to run a team."

-- [Anna Griffin](#)