

DRAFT 8/3/2010

DATE: August 3, 2010

TO: Rose Quarter Stakeholder Advisory Committee (RQSAC)

COPY: Portland City Council  
Portland Development Commission Board  
Portland Planning Commission  
Portland Landmarks Commission

VIA: Chair Scott Andrews  
Commissioner Charles Wilhoite

FROM: Mayor Sam Adams

SUBJECT: Memorial Coliseum: **Draft** Enhanced Facility Concept

### **Introduction**

The purpose of this memorandum is to present the MC *Draft Enhanced Facility Proposal* for RQSAC review and discussion, beginning with the July 26 RQSAC meeting.

This Proposal is intended to remain a draft concept for discussion until concept planning for the surrounding Rose Quarter district has been completed. This approach is intended to allow the Rose Quarter development strategy process to inform whether identified elements from each of the 3 concepts should be included in the MC or within the broader Rose Quarter area (particularly if non-government funding is available). The goal of this approach is to ensure that the future reuse of the MC and surrounding Rose Quarter future development are complementary.

Specifically, this Proposal maintains the spectator arena, protects the visible portions of the bowl and the possibility of accessing Historic Tax Credits, preserves the basic look of the glass box, strives to enhance the Veterans Memorial, and considers additional amateur athletics and arts programming to enhance the building's community benefits.

Before summarizing specific potential elements of a renewed MC, it is important to reiterate that this is a draft concept proposal for the purposes of furthering the RQ district concept planning process. Furthermore, City-PDC staff have prepared this synthesis proposal without architectural or market analysis.

### **Background**

The future use of the Memorial Coliseum has beguiled three Portland Mayors, Several PDC Chairs and two Trail Blazer's general Managers.

Memorial Coliseum is passionately embraced by many as one of the few named symbols that honor those killed in war. It is treasured by some for its unique modern design and fondly remembered by others who graduated under its roof or attended a sports or entertainment event.

For the past 16 years, ideas and indecision—coupled with a collective denial about the need to replace its aging systems—have hindered the realization of the Memorial Coliseum’s future best use. Though still in use by nearly half a million people each year, the Memorial Coliseum needs major capital improvements, and it needs a certain future. Without that, the Memorial Coliseum continues to complicate all efforts to improve the rest of the Rose Quarter (RQ) district.

We created the Rose Quarter Stakeholder Advisory Committee (RQSAC) to advance a break-through on the Memorial Coliseum, and advise the City and PDC on the rest of the Rose Quarter. Together, we issued a call for concepts on the adaptive reuse of the Memorial Coliseum (MC) in late 2009 to understand what uses the community would most like to see in a revitalized MC.

Although we started with the MC, we knew any concepts initially chosen for its future should be considered draft or “half baked” until the larger Rose Quarter district plan is completed. This approach allows MC concepts to inform RQ ideas, and vice versa.

From the 96 concepts that were submitted, the RQSAC selected three concepts based on evaluation criteria that fully utilized the MC and were represented by teams that indicated development experience and access to capital—Veterans Memorial Arts and Athletic Center (VMAAC), Memorial Athletic & Recreation Center (MARC) and Trailblazers & Winterhawks Concept (TBWC).

In May 2010, in response to comments from several Portland City Council members, the three concept teams approached the City about collaboration on a proposal. To facilitate this process, the City and PDC met with each team. As we dug deeper in the assumptions of each proposal we felt that while each concept has unique strengths, they each had serious weaknesses. For this reason, we suspended the Request for Proposal (RFP) process and directed City and PDC staff to create a new reuse concept that integrates the most financially feasible and strongest community-supported elements from each of the three individual concepts.

### **Draft Enhanced Facility Proposal**

#### **MC Programming**

Outlined below are programmatic recommendations for the *Draft Enhanced Facility Proposal* that are based on the unique strengths of the three concepts—VMAAC, MARC and Trailblazers & Winterhawks (TBWC). Noted in parentheses is the concept(s) attributed to a particular element. ***It should be noted that several of the programmatic elements noted below are common to all three concepts.***

#### **Arena**

- Explore marketability of reducing seating to 7,000-8,000 seats (all).
- Explore integrating party/sponsor decks (VMAAC, TBWC).

- Explore whether a regulation size velodrome and/or running track fits within the confines of the arena based on new technology or innovative design (MARC, VMAAC). *If regulation size running track does not fit within building, consider location in the Rose Quarter area subject to private funding and space availability.*

#### Bowl

- Install Regulation Ice Rink (all).
- Explore feasibility of removing non-visible portions of bowl if needed to accommodate additional programming within and/or below the bowl—such as an additional ice sheet and/or aquatics facility in lower MC (MARC); additional costs would require sponsorship funding by the benefitting party such as National Swimming Center Corporation and/or Winterhawks.

#### Exhibit Hall/Meeting Rooms Area

- Provide public meeting space that provides Veterans with use for a certain number of times/year consistent with previous agreement (TBWC).
- Explore a second ice sheet for amateur athletes including use as a practice ice sheet for the Winterhawks (with their potential sponsorship); this may not be possible without structural enhancements to reduce column spacing or removal of non-visible portions of the bowl (MARC).
- Consider potential for locating the Portland Center for Arts and Athletics Development (PCAAD) at this location if the business model is viable with funding and member group commitments (VMAAC). *If this program does not fit in MC, consider options in RQ.*
- Explore potential for National Swimming Center Corporation sponsored aquatics facility with 50-meter Pool and accompanying functions (MARC). *If this program does not fit in MC, consider options in RQ.*
- Explore feasibility of developing office space for sponsoring organizations within this area, such as the Winterhawks or National Swimming Center Corporation (all)

#### Veterans Memorial Plazas

- Consider renovation of existing plazas and new Veterans Memorial open space to increase memorial visibility in close coordination with Veterans representatives (all).

#### Concourse

- Explore development of publicly accessible restaurant and/or bar (all).

#### **Proposed Rose Quarter Area Programming**

Outlined below are programmatic uses which may not be feasible to locate within the MC, but may be integrated with future Rose Quarter area development. The district planning for the development strategy will also include the consideration of other uses including but not limited to; housing, office, retail, public open space, etc.

#### Amateur Athletics Fitness Facility

- Explore development of a community recreation/amateur athletics fitness facility for use by the Winterhawks and Trailblazers that is potentially integrated with the Nike Interactive (all).

#### Small Live Entertainment Venue

- Explore small live entertainment venue with approximately 2,500 seats to satisfy local market demand--subject to facility needs assessment (VMAAC, TBW).

#### Aquatics Facility

- Explore feasibility of 50-meter Pool and accompanying functions with Doug Oblatz and National Swimming Center Corporation if not achievable in MC building envelope (VMAAC, MARC).
- Implementation largely dependent on National Swimming Center Corporation sponsorship for capital improvements and strategy for ongoing operations that does require City resources.

#### Field House

- Explore feasibility of providing courts for basketball (at a minimum), volleyball, indoor soccer, etc., and other field house activities (such as for sports competitions) and consider potential integration with the Trail Blazer and Nike programs (VMAAC, MARC).

#### PCAAD

- Consider integrating *arts incubator* element if the business plan demonstrates viability and if outside funding is available as a stand-alone element (VMAAC).

#### Running Track & Velodrome

- Consider the potential of a 200 meter running track and velodrome integrated with the Nike interactive or other programming that would be accessible to the community and available for regional and national events (MARC).

### **Other Key Proposal Considerations**

Outlined below are other key considerations for the *Draft Enhanced Facility Proposal*. These key considerations are based on feedback from the RQSAC (primarily based on Attachment A), City-PDC leadership, Veterans representatives, and members of Portland's design community.

#### **Architecture**

- Retain visible portions of the existing seating bowl and glass box.
- Enhance the Veterans Memorials in close consultation with Veterans representatives.
- Undertake market analysis of any uses that require significant changes to the building's configuration or function.
- Consider skylights, roof penetrations, and other natural light features to improve subterranean spaces in the Exhibit Hall.
- Integrate eco-district and other state-of-the-art sustainability features.
  - Further explore solar potential for building and eco-roof improvements to the extent roof can support increased load, while not impacting current facility programming.

#### **Urban Design**

- Respect the cultural heritage of the African American neighborhood that was previously in this location.
- Create 4 active sides to the building at the concourse level to the extent possible.
- Activate Interstate Avenue by creating an outdoor plaza at the concourse level along Interstate.

- Explore removal of earthen berm between Interstate Avenue and the Coliseum, opening up the lower level of the Coliseum to potential development opportunity along Interstate Ave.
- Develop a pedestrian/bicycle connection from the building and the broader Rose Quarter to the waterfront.

### **Capital Improvements**

- Encourage public-private or non-profit partnership that can invest significant non-local public funds in the building.
- Maintain major aspects of the existing building—particularly the bowl and glass box-- to manage costs and maintain eligibility for historic tax credits.
- To the extent possible and necessary, implement MC building improvements noted in the *MC Status Quo Analysis Memo* (prepared May 11, 2010), including “Deferred Maintenance” and “Reasonable Functionality” improvements estimated at \$25.3 Million.
- Plan project to limit local public investment to \$20.4 Million — comprised of \$15 Million in deferred interest bonds and \$5.4 Million from the Oregon Convention Center Urban Renewal Area (OCCURA).

### **Operations**

- All new programmatic elements must identify an ongoing operations strategy.
- Rename facility to “Veterans Memorial Coliseum”.
- Require facility operator to be liable for all ongoing operations costs to protect the City’s General Fund and Spectator Fund from any and all financial liabilities.
- Attract new events such as PSU Basketball to enhance public access and activity while retaining existing events such as the Rose Festival parade, high school graduations, and other local and regional amateur athletics events.
- Continue and enhance arena function as an amateur and professional sports facility.
- Increase public access to the building for a broad range of Portlanders.
- Integrate educational opportunities.
- Reconfirm commitment to providing meeting room access to Veterans based on prior use agreement.
- Position the building for future enhanced marketability to attract new events and increase usage and vibrancy of the building.
- Prioritize integration of programmatic elements identified by RQSAC where achievable (see Attachment A).
- Catalyze project with strong district brand.
- Allow private or non-profit operations.
- Maintain a singular management entity for the MC and Rose Garden Arena to maximize efficient operations and competitiveness of facilities individually and as linked facilities (such as for the Dew Tour).
- Install a regulation hockey rink to support Winterhawks as a key anchor tenant.
- Explore additional major tenants including, but not limited to, US Swimming and PSU Basketball, and offer signage and other opportunities to support anchor tenant visibility and success (as consistent with existing Agreements with Portland Arena Management).

- Seek partnerships to maximize use of the building and provide ongoing operations funding.
- Potentially increase signage that reinforces role of anchor tenant(s).

### **MC Concept Team Profiles**

Through City-PDC discussions with the three concept teams, a clearer profile of each concept emerged along with the opportunities and challenges of implementation. Outlined below is a summary of what we heard and concluded about each concept. Our conclusions about each concept directly influenced the Draft Enhanced Facility Proposal outlined above.

**The MARC—Memorial Athletic and Recreation Center**—proposes a full array of amateur athletic programming to create a critical mass of activity for a community and regional draw along with a spectator arena to generate operating revenue.

### **Recommendation:**

- The MARC is a compelling project that is not currently feasible at this time given limited local public resources and a potential lack of public support for a single-purpose bond measure.
- Several elements of the MARC program should be explored to strengthen the community benefit of the lower portion of the MC (refer to programming section).
- Several elements of the MARC should also be explored in conjunction with potential Nike development, particularly the Nike Interactive (refer to programming section).
- The City-PDC should work with MARC representative to explore a partnership opportunity with National Swimming Center Corporation for an aquatics facility at the MC or at the Rose Quarter. Limited local public resources would require National Swimming Center Corporation to provide funding for capital and ongoing facility operations.

### **Capital/Operational Costs:**

- Construction costs estimated at \$120-140M.
- Single-purpose bond measure (up to \$70 Million) could be challenging given competing financial needs of the City, County and School districts.
- Up to \$20 Million in urban renewal funding from the Oregon Convention Center Urban Renewal Area (OCC URA) could use all available funds for Rose Quarter revitalization. If the Coliseum property is included in the Interstate Corridor Urban Renewal Area (ICURA) expansion, it is likely that more funding could be available but the decision would require support of the community.
- The potential for National Swimming Center Corporation sponsorship of an aquatics facility (estimated at \$20 Million) is a significant project strength. Additional market analysis to determine the appropriate size and programming for a facility of this scale is a next step.
- Future work on this concept includes researching the operations strategy to ensure that event revenue will offset operations costs.

### **Architecture/Planning:**

- The current program requires removal of the seating bowl which will increase capital costs and limit opportunities for accessing historic tax credits.

- Bowl removal may be opposed by local architects and historic preservationists.
- Relocating programming to the Rose Quarter area that is housed in publicly-owned facilities could reduce future property tax generation.

**VMAAC – Veterans Memorial Athletic and Arts Center--** proposes a full array of amateur athletic programming along with an arts program that includes rehearsal and performance spaces.

**Recommendation:**

- Encourage the VMAAC team to continue development of their arts incubator concept, which is the most unique and distinctive aspect of the VMAAC proposal. PCAAD is proposed as a non-profit academy for young people that want to develop their arts and / or athletic skills.
- The PCAAD business plan should include a strategy for funding capital improvements and operations without local public resources.
- Explore whether the PCAAD element could be housed in the lower MC or whether it would be appropriate with other Rose Quarter district uses.

Capital/Operational Costs:

- Construction costs are not known at this time.
- Build America Bonds (BABs) have been proposed; BABs require the backing of a credit worthy borrower in order to be marketable.
- Future work on this concept includes researching the operations strategy to ensure that event revenue will offset operations costs.

Architecture/Planning:

- The concept proposes retaining a portion of the bowl and the box.
- Concept adds a partial exoskeleton around the exterior portion of the building which could be of concern with the architectural community.

**Trailblazers & Winterhawks Concept**—proposes improvements to the facility to maintain its current function as a spectator arena and support retention of the Winterhawks as an anchor tenant while increasing community access to the building.

**Recommendation:**

- The City-PDC should work with Trailblazer and Winterhawks representatives as well as other private partners to explore sponsorship opportunities for MC building improvements and potentially ongoing operations.
- Encourage Trailblazers in their continued pursuit of additional anchor tenants, such as PSU Basketball, and offer signage and other support amenities to garner commitment and funding assistance.
- Develop concept for restaurant/bar on concourse level that is integrated with surrounding Rose Quarter development.
- Explore use of lower MC level space to increase public access and amenity to the building based on public discussions about programmatic elements proposed in the MARC and VMAAC proposals.

Capital/Operational Costs:

- Construction costs have not been provided; however, building improvements are expected to cost a minimum of \$25.3 Million based on an estimate prepared for the PDC outlining necessary building improvements termed as Deferred Maintenance and Reasonable Functionality Improvements (Status Quo Analysis, May 2010).

Architecture/Planning:

- The concept proposes retaining the vast majority of the bowl and the box.

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**ATTACHMENT A:  
Aspirational Statement for Presentation to City Council**

We, the Rose Quarter Stakeholder Advisory Committee, support preservation of the Memorial Coliseum as an inspiring, community-focused, multi-purpose facility with improved flexibility to accommodate a multiplicity of events for public and private purposes, at a variety of scales and uses including, without limitation: sports, entertainment, arts and culture in a manner that honors Veterans, respects the cultural heritage of the African American neighborhood that was previously in this location, integrates education, showcases innovation in sustainability, and demonstrates a triple bottom line of social, environmental and economic equity in a way that is consistent with its status as a National Register historic property. The outcome of the Memorial Coliseum and Rose Quarter development should serve to increase access to community benefits for the widest range of Portland residents. The statement below demonstrates the range of activities that have strong support from the community and the Rose Quarter Stakeholder Advisory Committee.

It is understood that the Memorial Coliseum may not be able to support all of the following activities and uses, however, our Committee urges the Memorial Coliseum concept proposers to compare the proposals for the use of the Coliseum interior spaces in terms of use, cost, operation and profitability with those for an improved base case. In so doing, they should consider improvements that augment daytime usage and district activation and may consider the following in their more detailed concept submittals in response to the Request for Proposal:

- Enhanced Veterans Memorial
- Meeting Space with Priority Usage by Veterans
- Eco-district Features, Design and operating systems that reflect state of the art sustainability features.
- Amateur Athletics Fitness Facility including an aquatics center
- Live Entertainment Venue
- Amateur and Professional Sports Spectator Facility
- Regulation Hockey Rink
- Space for Visual Arts and Performances
- Restaurants
- Skylights, roof penetrations, and other natural light features
- Programming that reflects the aspiration of educating as well as entertaining users of the facility.