



Rose Quarter Development Project

Stakeholder Advisory Committee (SAC) Meeting #4

Tuesday - October 27, 2009 - 5:00 to 7:00 p.m.

Portland Development Commission

222 NW 5th Ave, Portland

Meeting Summary

Meeting purpose

- Finalize Rose Quarter Vision and Urban Design Principles
- Clarify Memorial Coliseum Future Process
- Finalize Memorial Coliseum Future Process Evaluation Criteria
- Present Memorial Coliseum Baseline Conditions Report

Attendance

- **Carolyn Briggs**, *Lloyd District Association*
- **Samuel Brooks**, *Oregon Association of Minority Entrepreneurs (OAME)*
- **Andrew Colas**, *National Association of Minority Contractors (NAMCO)*
- **Paul Falsetto**, *American Institute of Architects*
- **Traci Manning**, *Central City Concern (alt. Dean Gisvold)*
- **Rick Michaelson**, *Urban Development Advocate*
- **Regina Hauser**, *Natural Step Network*
- **Philip A. Kalberer**, *Kalberer Company*
- **Wade Lange**, *Ashforth Pacific*
- **Clint Lundmark**, *Eliot Neighborhood Association*
- **Will Macht**, *Portland State University*
- **Drew Mahalic**, *Oregon Sports Authority*
- **Sandra McDonough**, *Portland Business Alliance*
- **Jeff Miller**, *Travel Portland*
- **Marcus Mundy**, *Urban League of Portland*
- **Brian Owendoff**, *Greenlight Greater Portland/Opus NW*
- **Greg Phillips**, *Portland Center Stage*
- **Steve Rawley**, *North Portland*
- **Jules Renaud**, *Student – Winterhaven School*

- **Alicia J. Rose**, *Mississippi Studios and independent artist*
- **Virginia Sewell**, *Oregon Ballet Theatre*
- **Rudy Soto**, *PSU and Oregon National Guard*
- **Tony Stacy**, *One Wolf Soccer, Management and Development*
- **Walter Valenta**, *Interstate Corridor Urban Renewal District Advisory Cmte.*

Guests

- **Abe Farkas**, *ECONorthwest*
- **Dave Logsdon**, *Portland Spectator Fund*

Core Project Team

- **Amy Ruiz**, *City of Portland, Mayor's Office*
- **Karl Lisle**, *Bureau of Planning and Sustainability*
- **Kia Selley**, *Portland Development Commission*
- **Kevin Brake**, *Portland Development Commission*
- **Nikolai Ursin**, *Portland Development Commission*
- **Vaughn Brown**, *JLA Public Involvement*
- **Kalin Schmoltdt**, *JLA Public Involvement*

Opening

Call to order / Meeting purpose and agenda – Vaughn Brown welcomed the group and reviewed the meeting purpose. Traci Manning is substituting for Dean Gisvold. Abe Farkas from ECONorthwest will address the Memorial Coliseum Baseline Conditions Report. Other committee business:

- The release of the Conditions Report has been delayed and will be provided to the SAC soon. The next SAC meeting will be devoted to in-depth discussion of the report.
- Wireless internet is available in the Commission Room for accessing meeting materials.
- To address concerns about identifying veterans serving on the committee, name tent stickers have been provided to allow anyone to self-identify as they choose.

Approve SAC Meeting #3 Summary – The summary was approved.

Rose Quarter Development

Vision and Urban Design Principles – The Vision and Principles are intended to apply to the entire Rose Quarter area. The revised principles list incorporates changes discussed at the last meeting. Vaughn asked for concerns and questions about the new list. Comments:

Connectivity

- **Rick Michaelson** noted that the district is currently constrained by regional transportation facilities that don't work within a neighborhood. It will be necessary to address whether those facilities will be adjusted and integrated into the district or whether the district will remain isolated.

Heritage

- **Wade Lange** suggested that "incorporate" would be more appropriate than "celebrate."
Greg Philips suggested the word "respect."
- **Sandra McDonough** suggested removing the "historic" reference to the Willamette River edge because the area is still working.

Sustainability

- **Regina Hauser** noted that the explanation of "sustainability" misses the systemic intent of the term. Vaughn noted that the explanation is not intended to limit the term, but rather to list examples.
- **Rick Michaelson** questioned whether the criterion was necessary and relevant if sustainability is city-wide policy. It would be good to consider if there are specific elements that make sustainability unique to this project.

Vaughn noted that the document would be modified. The Vision and Principles will guide the overall process and in particular during the upcoming Rose Quarter Development phase.

Memorial Coliseum Future Process Overview

Review process – Kevin Brake outlined the current phase of the project process. Although it is unusual to begin a project by looking at a specific building within an overall district, the public interest and historical significance of the Coliseum has led the project team to consider a different approach. Up to this point, the project has been soliciting ideas from the public, and now the emphasis will shift to a call for concepts. The goal is to provide a simple online application and a low bar so that anyone who is interested can submit a concept. The online application will be posted on Monday and the call for concepts will close December 1. Questions will be based on the Evaluation Criteria. In December, owners of selected concepts will be issued RFPs that call for more specific information. Committee concerns:

Rudy Soto asked whether an advance copy of the application is available for review. Kia said that the content would not be available until Monday because of fairness and purchasing issues.

Rudy Soto asked whether any of the individuals who proposed ideas during the idea phase would be encouraged to apply for the concept phase. Kia said that individuals will need to carry their own ideas forward. A goal of the ideas phase was to let the community share their thoughts. Portions of the concept applications will be posted to allow the public to see what ideas are proposed during the concept phase.

Rick Michaelson asked how concepts would be treated that only address uses for part of the facility. Kia said that proposers of partial ideas would be encouraged to find partners who can help form a complete proposal. Concept submitters will be asked whether they are seeking teaming opportunities. Rick requested that the application be clear about partial submissions.

Andrew Colas asked what would happen if none of concepts demonstrate adequate backing to be carried into the RFP process. Kia said that concept owners would be required to find qualified team members who demonstrate development experience and capacity to access necessary capital prior to being considered for the RFP.

Alicia J. Rose asked about the media strategy for publicizing the submission process. Kia noted that SAC members should be serving as ambassadors for the process. The media strategy involves working with TV and community media, email, and mailings if needed. SAC members should let the team know if there are ways to access local information networks.

Andrew Colas asked if new criteria would be developed for evaluating RFPs. Kia said that the evaluation criteria would not change.

Walter Valenta noted that while it was good to solicit ideas from the public, it feels unrealistic to expect all concept owners to have access to capital or the resources to develop the area as part of the RFP phase. Kia explained that qualified development partner(s) would be necessary to carry the project forward and for the city to form a public-private partnership for development. Amy noted that there will be opportunities for concept owners to publicly pitch their ideas as part of public presentations. This will allow the ideas to get a public hearing and potentially build support for the concepts.

Rudy Soto asked if there will be a way to connect concept owners with firms who could help them achieve their vision. Kia said that concepts could be picked up by one or more developers who have the capacity to carry the project. Ideas can be proposed to those groups as well.

Will Macht asked whether there would be specific efforts to reach out to members of the development community. Kia said that a number of firms are already anticipating the concept submission process and that there would not be a special effort to contact developers outside of the media strategy.

Steve Rawley asked whether the concepts would need to include allowances for operation of the facility in addition to development. Kia noted that PAM is allowed to operate the facility until 2023. A new operator is not being specifically sought as part of the concept process.

Tony Stacy asked whether the critical updates listed on the Memorial Coliseum fast facts sheet were considered capital improvements. Kia said that they were examples, but that none of them

have been committed to. It will be critical for proposers to understand what is needed in terms of improvements and funding.

Vaughn reiterated that the call for concepts is not typical. The goal is to let people submit concepts and feel that they may have contributed something to the overall process.

Memorial Coliseum Process Evaluation Criteria

Final review and adoption – Vaughn noted that feedback on the evaluation criteria was gathered through Twitter instead of a survey on the project Web site. Feedback was minimal. A survey on the evaluation criteria will be used later in the process.

Will Macht noted that addressing Coliseum development before the district as a whole seemed backwards. Kia noted that the Vision and Design Principles evolved from previous planning processes, most notably the 2001 Urban Design and Development Strategy, and are intended to provide perspective on the whole district. The building is currently the focus because of public interest and because of how the Coliseum has been under-addressed as part of other Rose Quarter development efforts. Development of the Coliseum and the Rose Quarter will be an iterative process and the hope is that the Coliseum will help catalyze development in the area. The PAM *Jumptown* proposal will serve as an example of how the rest of the district might develop.

Comments on the criteria:

- **Financial Viability** – The committee discussed how the criteria should weigh *public* cost and benefits as opposed to just profitability. It will be necessary to be realistic about costs, though making the financial criteria too firm may limit potentially good ideas too early in the process. Concepts should both demonstrate viability and provide public benefits. Kia noted that the concept application would ask that concept owners justify public expense based on public benefits although it may be too difficult to require a complex cost/benefit analysis as part of the concept application.
- **Architecture** – **Rick Michaelson** noted that architectural standards requirements should be referenced even if they are not part of the criteria.
- **Veteran's Memorial** – **Rudy Soto** suggested that some proposals could address only the memorial and that it may be necessary to approach those partial concepts differently. Amy noted that the SAC would hopefully be able to receive guidance from the City's new Veterans group.
- **Flexibility** – Staff had suggested removing the *Flexibility* criterion because operational efficiency was felt to be adequately captured in the *Financial Viability* criterion and the criterion was perceived as limiting otherwise good concepts. The committee largely felt that the criterion should remain. **Will Macht** noted that the Coliseum was designed as a flexible space and that the reuse must also be flexible or else the architectural agreements on the structure would be compromised. **Walter Valenta** noted that while improving flexibility would be good, proposals should not be down-scored because they aren't as flexible. **Marcus Mundy** interpreted concept flexibility as the ability to adapt and sustain itself into the future.
- **Mix of uses** – The committee discussed comments to help clarify that the criterion

called for a mix of public and private uses. The committee felt that a mix of uses was important but that public use should be a major feature. **Will Macht** noted that exclusively private uses may not be legally permissible based on current agreements. Ultimately, the criterion was deemed redundant. The committee agreed to remove it and incorporate *public use* into other criteria.

Carolyn Briggs noted that “24/7” activity can connote noise and traffic. She questioned whether such activity is compatible with other uses and city goals. **Steve Rawley** suggested that the term “night and day” was preferable to 24/7.

- **Cultural Heritage** – The committee suggested replacing “honors and respects” with the more active “engages and incorporates.”

The criteria will be revised and posted online.

Memorial Coliseum Baseline Conditions Report

Spectator Fund Overview – Dave Logsdon provided an overview of the City Spectator Fund. The Fund manages facilities at the Rose Quarter and PGE Park as well as the relationship with PAM.

The Fund is not supported by taxes. Under the Rose Quarter agreements, the city receives 6% of ticket revenue from Rose Quarter events and collects income from parking. PAM absorbs operating losses from the Coliseum although PAM can recover losses through future profits.

Coliseum repair and improvement costs have increased over the past several years though the Rose Quarter yields an annual income of roughly \$900,000. Nearly all of that income supports PGE Park and has been committed to a 25 year required investment in Major League Soccer for that facility.

Presentation and discussion – ECONorthwest led a team of consultants in creating a baseline study that describes existing conditions, operations and improvements of Memorial Coliseum. The study builds on previous work from 2000 and is intended as a tool for concept submitters. Abe Farkas presented the findings by category:

- **National Register Status** – The Coliseum was added in September. The status does impact the process and the involvement of entities like the State Historic Preservation Office. The status provides the potential to secure Historic Tax Credits.
- **Needed Improvements** – Improvements were subset according to urgency. Necessary improvements represent a \$6.7 million investment. The most critical improvements focus on health and safety. Estimates are only for hard costs (construction costs) and do not include soft costs (architecture/engineering and permit/inspection costs).
- **Profitability** is affected by a number of factors. Concessions and other revenue generators will require more vibrant uses in the building; a new mix of higher paying events can increase profits based on building improvements and amenities; facility improvements could generate income; adjusting the venue size could make the facility more attractive for some events; improving load limitations can make it more cost effective for promoters to rig shows; additional long term tenants can help long term profits.

- **Potential funding** could include Federal Historic Tax credits which provide up to 20% of qualified rehab cost in equity; Historic Property Tax Assessment which freezes property taxes if the building is privately owned; Revenue bonds; zoning incentives could generate \$2-3 million in a better market; New Market or Energy Tax Credits; and PDC incentives including redevelopment and business development loans. The Urban Renewal Area will expire in 2013.

Abe noted that the Coliseum serves an important niche for events that can't happen in the Rose Garden Arena. Costs to maintain the Coliseum are high and unsupported by the current market. The report ultimately finds that the existing conditions and operations don't limit future options for the facility provided that options are financially viable and protect the city from financial liability.

Wade Lange asked whether the city could exempt itself from meeting current codes. Abe said it could not. Some improvements would be required in some cases of new uses. The list of needed improvements does not include a conservative 30% in estimated soft costs associated with required work such as architectural engineering or permitting. He also asked about the obligation to maintain ice for the Winterhawks and whether they have an alternative playing area. Abe said that the recommendation is to replace the facility soon because of its age (twice the normal lifespan) though more information is needed.

Regina Hauser asked whether the report includes information on days of use for each facility. Abe said that the report includes aggregate, not annual, data on days of use.

Will Macht asked whether the report looks at data from the past 10 years. **Steve Rawley** asked about PAM profits during that time. Abe said that profit loss numbers are included for the Coliseum over the past 10 years and include profits for PAM.

Vaughn noted that many of the questions from the Response Log will be addressed in the Summary Report. The report will be distributed soon.

Public Comment

Gil Fry is from the Portland Area and has been working to save the Coliseum since 1992 when it was being considered for a parking lot. Gil provided a folder of supporting information for members of the project team to share with the committee. Gil stated that it would be expensive to replace the Coliseum and that the facility currently serves a unique set of needs. The needs of Coliseum users must be studied. Many unique Oregon landmarks have been lost already. Gil is working to save the memorial for his five brothers who served in WWII. The packet includes a resolution regarding Veterans from the Oregon Republican Party. The basic principles from a previous study out of Pittsburgh call for tearing down the Coliseum and restoring the street grid. Gil suggested that this was a terrible and impractical suggestion. The Oregon Wrestling Championship brings people to the Coliseum from all over the state. The packet contains an article by Anna Griffin that says the Coliseum is worth keeping; information about use of the Coliseum in 2008; and a history of the Far West Classic. The project could consider the Coliseum as a location for a Tiger Woods museum or a memorial for decorated marine Ken Reusser.

Close

Next steps – The next meeting is scheduled for November 10, from **6 – 7:30pm**.