



[Home](#) / [Council Documents](#)

191308

Emergency Ordinance

***Amend contract with Wenaha Group, Inc. to include owner's representative design and construction management services through construction of planned renovations at the Veterans Memorial Coliseum and increase amount by \$782,633 (amend Contract 31002156)**

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. The City's Spectator Venues Program within the Office of Management and Finance (OMF) oversees the Veterans Memorial Coliseum (VMC), Rose Quarter Parking Facilities, Rose Quarter Plaza, Providence Park and the Portland's 5 Centers for the Performing Arts.
2. The VMC opened in 1960 and today hosts over 100 events annually with typical attendance of around 400,000. This activity results in over \$30 million in estimated annual economic impact to the region. In addition to concerts, amateur sporting events, corporate meetings, graduations, and other community events, the VMC is the home arena to the Portland Winterhawks, a Western Hockey League team.
3. The building has undergone minor renovations and repairs over the years, but many of the primary systems, equipment, and furnishings are original and well past their useful service lives and the building needs renovation to continue serving the community reliably and safely.
4. After consideration of many options for reuse of the VMC since the Moda Center opened in 1995, an extensive public process was undertaken in 2009-2011. This effort resulted in City Council confirmation of support for renovating the arena via Resolution 36887 on November 17, 2011. However, renovation plans being considered at that time did not come to fruition.
5. In 2015, OMF conducted the VMC Options Study to better understand the market feasibility of a number of different venue renovation

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Management and Finance](#)

Contact

Karl Lisle

Spectator Venues Program
Manager

✉ karl.lisle@portlandoregon.gov

📞 [503-823-5876](tel:503-823-5876)

Requested Agenda Type

Time Certain

Date and Time Information

Requested Council Date

June 7, 2023

Requested Start Time

10:15 am

Time Requested

30 minutes (2 of 2)

scenarios as well as closure and demolition options. The study confirmed the financial viability of a renovated multi-purpose arena with upgraded essential systems as well as strategic enhancements intended to increase the functionality and appeal of the venue for a broader range of events.

6. Between 2012 and 2019, the City invested over \$12.8 million in repairs and enhancements to the building including, but not limited to a new ice floor, roof replacement, upgraded lighting, refreshed concessions, asbestos removal, paint and general de-cluttering of the concourse. These strategic enhancements have proven the viability of the venue and apart from the COVID-19 impacted year of FY2020-2021, the building consistently generates a modest net-operating profit.
7. Ordinance 189776, approved by the Council on November 27, 2019, approved the *Second Amended and Restated Visitor Facilities Intergovernmental Agreement (VFIGA)* between the City, Metro and Multnomah County. The VFIGA facilitates the funding of visitor facilities and ongoing programs in the region through the collection and distribution of transient lodging tax and vehicle rental tax surcharges via the Visitor Facilities Trust Account (VFTA). The final signature and effective date on the revised VFIGA is April 20, 2020.
8. The changes to the VFIGA approved by the three governing bodies in late 2019 and early 2020 included a commitment to provide debt service for \$40 million (in 2019 dollars) in bonds to fund renovations at the VMC. The amount of the bond financing available for the renovations escalates by the construction cost index. These bonds are currently planned to be issued during fiscal year 2024-2025.
9. Contract No. 31002156 was awarded to Wenaha Group, Inc, through a direct contracting process in early 2022. Wenaha Group, Inc is an Oregon-certified COBID MBE, DBE, native-owned business (Certification #8606). The initial contract had a not-to-exceed amount of \$150,000 and became effective March 1, 2022, with a three-year term.
10. Wenaha Group, Inc provides essential construction project management and owner's representative services for the VMC renovation project under this contract. They are a critical intermediary between the venue operators, contractors, designers and City administrators.
11. At the time the original contract was executed, it was unclear if the renovation project would proceed due to funding uncertainty and timing. Now, significant renovations are on track to take place between 2024 and 2026 and Wenaha's service will be crucial to successful implementation.
12. This ordinance approves Amendment No. 1, increasing the not-to-exceed contract amount to \$932,633, an increase of 622% over the

original contract amount. The additional funds will allow taking the entire \$40+ million scope of renovations through design, permitting and construction as well as allowing for potential minor scope changes as additional funding continues to be sought. The amendment also 1) creates and assign a new project role, 2) adjusts hourly rates based on inflation, and 3) extends the term of the contract to June 30, 2028.


13. This amendment requires Council approval because the increased amount exceeds 25% of the original contract amount.
14. Sufficient funding for this contract amendment resides in the Spectator Venues and Visitor Activities Fund 607000 in FY 2023-2024 and is projected to be sufficient in subsequent years.

NOW THEREFORE, the Council directs:

- A. The Chief Procurement Officer is hereby authorized to sign Amendment No. 1 to Contract No. 31002156 between the City and Wenaha Group, Inc. for services, in a form substantially similar to Exhibit A attached hereto.
- B. The Mayor and City Auditor are hereby authorized to draw and deliver checks payable to Wenaha group, Inc., chargeable to OMF when demand is presented and approved by the proper authorities.

Section 2. The Council declares that an emergency exists because design work is currently underway and the additional resources authorized by this amendment are needed to stay on the project schedule; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Documents and Exhibits

 [Exhibit A \(https://www.portland.gov/sites/default/files/council-documents/2023/31002156_wenaha_amendment-1_exhibit-a_final_5-22_corrected-6-1-23.pdf\)](https://www.portland.gov/sites/default/files/council-documents/2023/31002156_wenaha_amendment-1_exhibit-a_final_5-22_corrected-6-1-23.pdf) 355.52 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
June 7, 2023

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

This ordinance authorizes an amendment to an existing contract with a construction project management firm engaged in design and implementation of renovations at the Veterans Memorial coliseum. The original contract was executed at a time when the timing of the renovations was uncertain due to a variety of factors. As a result, the not-to-exceed amount of the contract was only enough for concept-level design and implementation strategy. Now the project is proceeding, and the contract needs to be increased. This amendment adds sufficient funding to see the anticipated improvements through permitting and construction between 2024 and 2026.

Financial and Budgetary Impacts

With this amendment, the contract amount for owners representative construction project management services related to the planned renovations at the VMC increases to \$682,633. This amount includes contingency and funding for potential minor additions to the scope of work that could be added if additional funds are secured for the project. Current funding available for the renovations provided in the form of bonds with debt service paid by the Visitor Facilities Trust Account (VFTA) through the Visitors Facilities Intergovernmental Agreement (VFIGA) is close to \$50 million. (\$40 million in 2019 dollars, escalated by the Construction Cost Index to 2024.)

This work will be entirely paid for by funds in the Spectator Venues and Visitor Activities Fund and/or the bond proceeds with all debt service paid for by the VFTA. These expenditures are consistent with the purpose of these funding sources.

Community Impacts and Community Involvement

This contract amendment is required to allow renovations to the VMC to proceed. These renovations are critical to allowing continued safe operations of the aging arena in service of the community. The VMC currently hosts over 100 events per year generating over \$30 million in estimated annual economic impact. Many of the events at the venue are community-oriented, including graduations, memorial services, the Grand Floral Parade, and amateur sports tournaments. The building also is the home rink to the Portland Winterhawks and an increasingly popular mid-sized venue for concerts and family shows. Implementation of these renovations will attract even more events to the building attracting more patrons and generating a greater economic impact.

The renovation scope and strategy was developed in 2021 in consultation with a Project Advisory Committee including thirteen community members from a variety of backgrounds and affiliations. That work is summarized in

the VMC Reinvestment Strategy Volume 1

(<https://www.portland.gov/sites/...>

(https://www.portland.gov/sites/default/files/2021/21_1119-portland-vmc-volume-i-reinvestment-strategy.pdf)) which recommends guiding initial investments in the building to critical infrastructure and deferred maintenance in addition to a seating replacement and related code compliance project which will positively impact every event attendee.

100% Renewable Goal

VMC energy consumption has been significantly reduced through strategic investments over the past 10 years. New mechanical systems use less energy than the ones they replace and a recent roof replacement project added insulation, greatly reducing heating and cooling costs. Many of the planned improvements for 2024-26 will similarly improve the efficiency of the building, including major electrical enhancements and restroom renovations that will reduce water and energy usage.

Agenda Items

462 Time Certain in [June 7-8, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/6/7)
(<https://www.portland.gov/council/agenda/2023/6/7>)

Passed

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Absent

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea