

TESTIMONY SIGN-UP
FOR

35758

41 - Civic Stadium

IF YOU WISH TO SPEAK TO THE CITY COUNCIL,
PLEASE PRINT YOUR NAME AND ADDRESS BELOW

NAME

ADDRESS & ZIP CODE

NAME	ADDRESS & ZIP CODE
Lynn Lashbrook	1796 NW 17 th Court, Gresham, OR
Scott Andrews	111 SW Columbia, Port OR 97201
Drew Mahalik	700 NE MULTNOMAH St 970 97202
Patricia Gardner	Goose Hollow Footballs League

Date: 1/11/99

Page ___ of ___

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SPORTSBUSINESS

JOURNAL™

JANUARY 11-17, 1995

38

SPORTS MARKETS

A glimpse into the future

Predicting the future is more of an art than a science — and an inexact art at that. Yet it also can be incredibly tempting. So here goes.

Below are our forecasts for five professional sports. We programmed Sports-Business Journal's crystal ball with our

sports capacity ratings and mixed in a healthy dose of subjectivity.

Our aim was to blend expansion teams (underlined below) into the current structure of professional sports, so we kept all existing franchises where they are. But we couldn't resist the urge to tinker with driv-

MAJOR LEAGUE BASEBALL

Overview Baseball's pickings are very, very slim. Only three metros in North America have sufficient capacity to add an MLB franchise, and Washington is the lone jewel among them.

New teams. Expansion will be limited to two teams. Washington's National League franchise will play in Northern Virginia, carrying the name of its home state. Portland, the American League's newcomer, has a less-than-perfect capacity rating of 94, but it's still the best choice to beef up MLB's presence on the fast-growing Pacific Coast.

Other moves Both leagues increase from three divisions to four. Houston slides to the AL so each league can get one of the expansion teams.



MAJOR LEAGUE SOCCER

Overview. Sixty-one markets are big enough to join MLS, led by Philadelphia, Houston and Detroit. The West has no big candidate after Portland picks baseball over soccer.

New teams. Joining the three major cities above will be Rochester, the second-largest virgin market.

Other moves MLS doubles its number of divisions to four.



FUTURE MLB LINEUP

AMERICAN LEAGUE

Atlantic	Great Lakes	Midwest	Pacific
Baltimore	Chicago White Sox	Houston	Anaheim
Boston	Cleveland	Kansas City	Oakland
New York Yankees	Detroit	Minnesota	Portland
Tampa Bay	Toronto	Texas	Seattle

NATIONAL LEAGUE

East	South	Central	West
Montreal	Atlanta	Chicago Cubs	Arizona
New York Mets	Cincinnati	Colorado	Los Angeles
Philadelphia	Florida	Milwaukee	San Diego
Pittsburgh	Virginia	St. Louis	San Francisco

FUTURE MLS LINEUP

EASTERN CONFERENCE

Northeast	South
Detroit	D.C. (Wash.)
New England	Miami
New York/N.J.	Philadelphia
Rochester	Tampa Bay

WESTERN CONFERENCE

Midwest	West
Chicago	Colorado
Columbus	Kansas City
Dallas	Los Angeles
Houston	San Jose



35758

City of Portland
Vera Katz
Mayor

January 6, 1999

TO: Commissioner Jim Francesconi
Commissioner Charlie Hales
Commissioner Dan Saltzman
Commissioner Erik Sten

CC: MERC Board

FROM: Mayor Vera Katz *VKatz*

RE: Proposed Next Steps on Civic Stadium RFP Selection Committee Report

The purpose of this memorandum is to provide you some background on the Civic Stadium RFP process and to propose next steps. I look forward to City Council consideration of the Civic Stadium RFP Selection Committee Report at 10:30 a.m., Wednesday, January 13, 1999.

Facility Needs

In April 1998, the Civic Stadium Advisory Committee report concluded that Civic Stadium, built in 1926, faces the near-term challenge of addressing deferred capital maintenance, including replacing the artificial turf and retrofits to meet seismic and ADA requirements.

The most recent major capital investment in the stadium was a \$9.5 million renovation completed between 1982 and 1984.

The Committee's report also identified basic facility deficits that hinder the stadium's operational success. These include the need to replace turf, improve seating, widen the concourses, update the restrooms, and upgrade the sound system. Taken together, staff determined that correcting seismic, safety and basic facility deficits would cost in the range of \$15-\$45 million. While the stadium finished in the black last year, future financial performance is not expected to generate adequate revenue to address these capital needs.

Stadium Tenants

After being abandoned by the Portland Beavers in 1993, professional baseball returned to Civic Stadium in 1995 when Jack and Mary Cain moved their Single-A Bend franchise to Portland. This move, and the Cains' focus on family-oriented sports entertainment, improved the stability of the facility. The Portland Rockies have attracted over 200,000 spectators each year since their arrival.



As more and more Portlanders headed back to the ballpark, I formed the Mayor's Pro-Sports Task Force in September 1995 to determine whether Portland could successfully support an additional professional sports franchise, particularly, Major League Baseball. Their report (presented in April 1996) concluded "yes, but under the right set of circumstances." This effort to put Portland in the path of opportunity for a Major League Baseball franchise by 2002 was subsequently pursued by my appointment of the Portland Baseball Commission in August 1996.

The work of these two groups stimulated a healthy debate in the community about the requirements and resources needed to attract Major League Baseball. Much of the discussion centered on a facility and, specifically, whether a renovated Civic Stadium could support a franchise.

Participating in, and sometimes leading this debate was the fan-based Portland Baseball Group. The Baseball Group played a significant role in championing a vision for Civic Stadium created by Portland architect John Vosmek. Vosmek's design suggested a two-phase approach to renovating the stadium. The renovations would occur in a manner that would make immediate corrections to seismic, and safety and basic facility deficiencies in addition to allowing for a future upgrade/expansion to accommodate Major League Baseball. I believed the proposed renovation plan had validity and encouraged their community outreach efforts. At the same time, I urged them to answer the financial questions surrounding their proposal.

Last summer, Marshall Glickman, representing Portland Family Entertainment (PFE), also approached the city regarding Civic Stadium. PFE outlined elements for a financial partnership with the city to address facility needs in exchange for potential receipt of operating rights. As with the Baseball Group, I encouraged PFE to continue to add detail to their proposal.

In addition, at that time, three Major League Baseball franchises (Oakland, Montreal, and San Diego) also indicated their consideration of moving out of their host cities, and our consultant encouraged us to complete outreach contacts to each team.

District Planning

Renovating the facility and introducing new and additional sports franchises is part of a larger vision to create a Stadium District which integrates the facility into the neighborhood and vice versa. The notion of a Stadium District is incorporated in the Civic Stadium Advisory Committee Report. It is recommended that investments include more housing (affordable and market rate), neighborhood retail, structured off-street parking and consideration of closing off streets to create a plaza around the stadium on major event days.

I concur with the district concept. However, it is critical that the Stadium District recognize and advance the existing goals of the 1988 Central City Plan and the 1996 Goose Hollow Station Community Plan. Any district planning effort should also serve to implement the action items in both plans, as well as the goals of the Civic Stadium Advisory Committee Report.

Time for Action

After years of studying the issue, two groups pursuing either stadium control or franchise acquisitions, district planning effort underway and the clock ticking on making a decision about seismic, safety and basic facility maintenance, the City and MERC needed to take action regarding the immediate future of Civic Stadium. And, the City and MERC needed to take action to bring together the discussions about facility, tenant and neighborhood district issues.

To that end, and in order to objectively evaluate the qualifications and ability of potential stadium partners, I proposed with MERC Chair, Gary Conkling, a request for proposals (RFP). The two-phase Civic Stadium RFP process is intended to lead to the identification of qualified private partners, if they exist, to assist in the renovation, attract new sports franchises, and participate in the district planning process. As approved by City Council and MERC, an appointed selection committee guided the selection process, and its recommendations were based on the following criteria approved by MERC and the Council:

- Experience of the development team with projects of similar size, scope and nature

- Strength of the development team, including resumes of proposed key personnel

- Strength of the proposed financing plan, including respondents' willingness and ability to participate financially

- Ability to attract new or additional resident sports franchises

- Ability to cultivate local business community and neighborhood support for a broader development project

- Quality of market plan

The Selection Committee Report recommends that Council approve a decision to proceed with further negotiations in Phase II of the RFP process with PFE. The reasoning, rationale and next steps are included in their December 10, 1998 Report.

Proposed Next Steps

Our work now, as decision-makers, is to study the Selection Committee's findings and determine whether or not to accept their recommendations. For me, the central question for the negotiations in Phase II of the RFP process is whether proceeding with a public/private partnership is more beneficial to taxpayers than what we, the City and MERC, can achieve on our own. I support the proposed criteria for successfully concluding any Phase II negotiations outlined by the Committee.

- Creation of a Community Agreement to guide the public outreach process

Commitment by PFE to pay for the implementation of a community outreach plan managed by City/MERC

Agreement PFE to be responsible for all operating losses

Acquisition of additional professional sports franchises

Increase the amount of equity from principals invested in stadium capital construction (current amount of \$0) to a figure that is closer to the \$15 million non-public investment envisioned by the Civic Stadium Advisory Committee

Include provision that PFE will be willing to step aside, should Major League Baseball become a reality in Portland

Maximize the amount of stadium oriented revenue that will return to the city (so as to defray the cost of publicly issued debt)

Seek to have PFE pay for construction cost overruns and schedule delays

Renovating Civic Stadium, in a manner that benefits the existing neighborhoods and leverages private investment in both the facility and the surrounding district, is essential

The Report recommends pursuing the renovation of Civic Stadium as a community-oriented, multi-use facility instead of focusing on a Major League Baseball tenant. I suggest moving forward in Phase II negotiations and to accept the Report's recommendation on this matter in the near term, but leaving open the stadium as a potential future site for additional professional sports. While my long-standing pursuit of Major League Baseball will continue, information provided by CSL International, one of the nation's leading consulting firms, was clear. CSL stated, "it will be a significant challenge to attract a Major League Baseball franchise to Portland under the current set of circumstances in the near term."

That said, I am ready to listen and assist anyone who comes forward with a formal agreement from a Major League Baseball franchise to locate in Portland. Furthermore, if a Major League Baseball franchise wishes to locate here, any public/private operating agreement regarding the stadium needs to include a "bump clause" to ensure the availability of the facility, if it is determined to be a feasible location.



CITY OF PORTLAND

OFFICE OF FINANCE AND ADMINISTRATION

35758 Vera Katz, Mayor
Timothy Grewe, Director
1120 S W Fifth Avenue, Rm 1250
Portland, Oregon 97204
(503) 823-5288
FAX (503) 823-5384
TDD 823-6868

**Civic Stadium RFP Selection Committee
Recommendations**

Presented To: Mayor Vera Katz and
MERC Chair Gary Conkling

Date: December 10, 1998



CITY OF PORTLAND

OFFICE OF FINANCE AND ADMINISTRATION

Vera Katz, Mayor
Timothy Grwe, Director
1120 S W Fifth Avenue, Rm 1250
Portland, Oregon 97204
(503) 823-5288
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On September 16, 1998, the City of Portland and the Metropolitan Exposition and Recreation Commission (MERC) issued a request for preliminary proposals (RFP) for the redevelopment of Civic Stadium. The successful respondent(s) will assist in planning, implementation, and monitoring and evaluation of the project. Specific RFP selection criteria included the following:

- Experience of the development team with projects of similar size, scope and nature
- Strength of development team, including resumes of proposed key personnel
- Strength of proposed financing plan, including respondent's willingness and ability to participate financially
- Ability to attract new or additional resident sports franchises
- Ability to cultivate local business community and neighborhood support for a broader development project
- Quality of marketing plan

Additionally, the entity is expected to

- Underwrite a significant portion, if not all, of the Civic Stadium redevelopment cost providing a viable alternative to public debt financing for this undertaking
- Maintain and enhance, at its sole cost and expense, ongoing Civic Stadium operations in a manner envisioned by the Advisory Committee
- Share in the cost of Civic Stadium ongoing capital improvements

Furthermore, the proposals needed to advance the following four goals of the Civic Stadium Advisory Committee

- Retain Civic Stadium as a community-oriented, multi-use outdoor venue
- Modernize Civic Stadium consistent with a cost-benefit analysis of investments to create a marketable, self-sustaining facility that is compatible with the surrounding neighborhood
- Fund a modernization effort from a mix of public and private sources, with the aim of minimizing direct property taxpayer cost
- Coordinate modernization with community efforts to seek additional and/or major league franchise(s) for Portland

Three groups responded to the RFP

- CS Group LLC
- Major League Soccer (response was clarification of league stadium requirements only)
- Portland Family Entertainment

After an initial review of the materials the CS Group and Portland Family Entertainment (PFE) were selected for evaluation as part of the phase I process

An RFP Selection Committee comprised of two city representatives, two MERC representatives and two neighborhood representatives reviewed responses to the RFP, conducted two oral interviews, and obtained further information as a means of evaluating the proposals, clarifying assumptions and providing factual support. In addition, two independent consultants with extensive experience in stadium planning and franchise recruitment/retention provided advice. The committee was charged to select the respondent(s) that offers the most advantageous proposal, consistent with all of the RFP requirements, and is in the best interest of the public. Civic Stadium is a publicly owned facility, bought and paid for by local taxpayers.

Neither proposal, as written, offers a sufficient level of private investment to justify transferring the operation of Civic Stadium to a private group. However, based upon the information received the Civic Stadium RFP Selection Committee has determined PFE presents the City and MERC with at least a basis for further consideration. PFE scored 63 out of a possible 100 points compared with CS Group who received a score of 52 out of 100 points (see attached matrix for details). This low "winning" score by PFE reflects the need for significant improvement.

Moving forward, the committee recommends the City and MERC consider two options

- (a) Seek to negotiate with PFE, a significantly improved business arrangement that would justify private/for-profit operation of a publicly owned asset,
- (b) If negotiations with PFE are unsuccessful, and the amount of private investment offered is insufficient, the City and MERC should proceed with a renovation plan that assumes continued public operation of the stadium

A Steering Committee should be created to take the lead in directing the negotiations for the Memorandum of Understanding (MOU). At a minimum, the membership should include the current members of the RFP Selection Committee. We recommend City Council and MERC approve this report in order to allow the next phase of the process to begin by mid-January. It is our hope that within 45 days of beginning the next phase, the MOU Steering Committee will make recommendations to City Council and MERC on whether to proceed with either a development agreement or another option for Civic Stadium will have been reached.

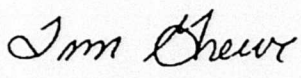
The committee recommends deliberations commence with PFE to determine whether an MOU can be agreed to that will serve as a framework document to guide preparation of a detailed development agreement and related agreements. The committee further recommends the City and MERC begin these exclusive conversations with PFE in the hopes of reaching an MOU which, at a minimum, achieves the following public goals

- Creation of a Community Agreement to guide the public outreach process
- Commitment by PFE to pay for the implementation of a community outreach plan managed by City/MERC
- Agreement by PFE to be responsible for all operating losses
- Acquisition of additional professional sports franchises
- Increase the amount of equity from principals invested in stadium capital construction (current amount is \$0) to a figure that is closer to the \$15 million non-public investment envisioned by the Civic Stadium Advisory Committee
- Include provision that PFE will be willing to step aside should Major League Baseball become a reality for Portland, should such a decision be supported by the local neighborhoods and broader community
- Maximize the amount of stadium oriented revenue that will return to the city (so as to defray the cost of publicly issued debt)
- Seek to have PFE pay for construction cost overruns and schedule delays

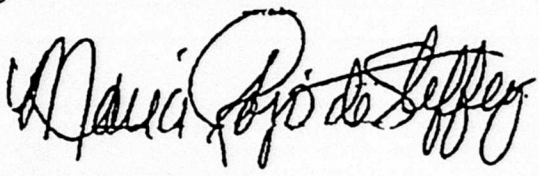
Should insufficient progress toward these goals occur, the committee strongly recommends the City and MERC eliminate PFE from the process and proceed with a stadium renovation on their own

With regards to the possibility of Major League Baseball coming to Portland, based upon information the Selection Committee received from CSL International (an independent sports consulting group working on behalf of the city) we believe the possibility of franchise acquisition is not in the imminent future, despite earlier indications which suggested there may be interest (see attached materials from CSL) The community, the neighborhood and Civic Stadium would be better served if immediate attention is given to upgrading the existing facility, preserving its multi-use capability and integrating the renovation into a broader district planning process

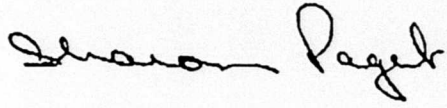
Thank you for focusing your attention on the needs of this critical regional facility Civic Stadium needs to remain a part of our urban fabric



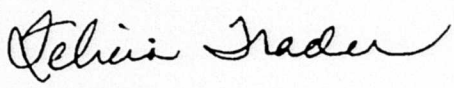
Tim Grewe
Office of Finance and Administration



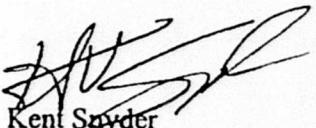
Maria Rojo de Steffey
Civic Stadium Manager



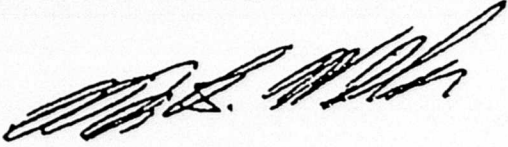
Sharon Paget
Goose Hollow Neighborhood Association



Felicia Trader
Portland Development Commission



Kent Snyder
Northwest District Association



Mark Williams
Metropolitan Exposition
And Recreation Commission

35758

Selection Criteria	Total Points Available	Score	
		PFE	CS Group
Experience and strength of the development team with projects of similar size, scope and nature	25	22	20
Strength of proposed financing plan, including respondent's willingness and ability to participate financially	25	10	5
Responsiveness of proposed development concept to MERC's Civic Stadium Advisory Committee's goals	15	10	10
Ability to attract new or additional resident sports franchises	15	10	8
Ability to attract local business community and neighborhood support for a broader development project	15	7	5
Quality of marketing plan	5	4	4
Total	100	63	52

RESOLUTION No. 35758

Accept the Civic Stadium's RFP Selection Committee's Recommendation

WHEREAS, the City owns Civic Stadium, and

WHEREAS, pursuant to a long-term intergovernmental agreement, the Metropolitan Exposition Recreation Commission (MERC) manages and operates the facility on behalf of the City, and

WHEREAS, Civic Stadium faces the near term challenge of addressing deferred capital maintenance, including replacing the artificial turf and retrofits to meet seismic and ADA requirements, or curtailing operations, and

WHEREAS, the City and MERC determined it best to undertake a public-private endeavor to address issues concerning the future of Civic Stadium, and

WHEREAS, a Request for Proposals was developed and issued to identify interested and qualified private entities to assist in redeveloping Civic Stadium, and

WHEREAS, two proposals were submitted for consideration, CS Group and Portland Family Entertainment, and

WHEREAS, a Selection Committee composed of two city, two MERC and two neighborhood representatives was convened to review and evaluate the proposals based on criteria developed by the City, MERC and neighborhood representatives, and

WHEREAS, the Selection Committee reviewed the proposals, conducted oral interviews and collected additional information on the proposals to clarify assumptions and to provide factual support. The City's Office of Finance and Administration provided technical and administrative staff support. Consultants with extensive experience and expertise in stadium planning were engaged to provide additional assistance, and

WHEREAS, the Selection Committee determined that Portland Family Entertainment's proposal provides the City and MERC with an opportunity for further consideration and discussion, and

WHEREAS, the Selection Committee recommends that the City and MERC begin negotiations with Portland Family Entertainment to develop a Memorandum of Understanding for the development and operation of Civic Stadium, and

WHEREAS, to ensure efficient use of public resources, a Civic Stadium Negotiating Committee shall be convened by the Mayor in coordination with the Chair of MERC for negotiating the project and coordinating activities. The Negotiating Committee will be composed of City, MERC and neighborhood representatives, and

WHEREAS, to build greater interest and support for the project and Civic Stadium operations, efforts will be made to build partnerships with adjacent neighborhood associations, local business associations, and private property owners, and other interested groups and individuals, and

WHEREAS, continuing legal and technical assistance is necessary to support the Civic Stadium Executive Committee, and

WHEREAS, it is intended that expenditures in support of the project will be reimbursable by revenues generated by the project or other project related resources

WHEREAS, the Mayor has reviewed the Selection Committee's report and forwards the Report to Council with the recommendation that Council accept the Report's recommendation while leaving open the option to use the stadium as a potential future site for additional professional sports, if appropriate

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Portland, Oregon that

- a The Civic Stadium RFP Selection Committee's recommendations, attached hereto as Exhibit A, are hereby accepted
- b The Mayor, in coordination with the Chair of the Metropolitan Exposition Recreation Commission, shall convene a Civic Stadium Negotiating Committee to negotiate, if feasible, necessary agreements for the renovation and operation of Civic Stadium
- c The Bureau of Financial Management is hereby directed to transfer \$200,000 from General Fund Unforeseen Contingency to the Arena Fund in the Winter Budget Monitoring Report currently being prepared

Adopted by the Council, **JAN 13 1999**

Mayor Katz
Office of Finance and Administration
Tim Grewe Bryant Enge J Bell
January 7, 1999

GARY BLACKMER
Auditor of the City of Portland

By *Britta Olson*
Deputy

Agenda No

RESOLUTION NO

35758

Title

Accept the Civic Stadium's RFP Selection Committee's Recommendation (Resolution)

INTRODUCED BY	Filed
Mayor Vera Katz	JAN 08 1999
NOTED BY COMMISSIONER	Gary Blackmer Auditor of the City of Portland
Affairs	By <u>Bruce Olson</u> Deputy
Finance and Administration <i>uk</i>	
Safety <i>JS</i>	
Utilities	
Works	
BUREAU APPROVAL	For Meeting of _____
Bureau Office of Finance and Administration	ACTION TAKEN
Prepared by Date	
B Enge 1-07-99	
Budget Impact Review	
<input checked="" type="checkbox"/> Completed <input type="checkbox"/> Not Required	
Bureau Head Tim Grewe <i>Tim Grewe</i>	

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS	
		YEAS	NAYS
Consent Regular <input checked="" type="checkbox"/>	Francesconi	Francesconi	<input checked="" type="checkbox"/>
NOTED BY	Hales	Hales	<input checked="" type="checkbox"/>
City Attorney	Saltzman	Saltzman	<input checked="" type="checkbox"/>
City Auditor	Sten	Sten	<input checked="" type="checkbox"/>
City Engineer	Katz	Katz	<input checked="" type="checkbox"/>