

**FINANCIAL IMPACT STATEMENT
For Council Action Items**

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator David Logsdon		2. Telephone No. 823-6958	3. Bureau/Office/Dept. OMF - Facilities
4a. To be filed (date) November 9, 2011	4b. Calendar (Check One) Regular Consent 4/5ths X <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to FPD Budget Analyst: November 10, 2011

1) Legislation Title:

Authorize sole source acquisition and execution of a redevelopment agreement and related agreements (the "Redevelopment Agreement") with the Portland Winter Hawks, Inc. ("PWH") and Rip City Management, LLC, doing business as Portland Arena Management, successor-in-interest to Oregon Arena Corporation ("PAM"), for the renovation of Veterans Memorial Coliseum ("VMC"). (Ordinance)

2) Purpose of the Proposed Legislation:

This ordinance exempts the VMC renovation project from competitive bidding requirements of state law and City Code. The project will be executed based on a redevelopment agreement negotiated among the City, Portland Arena Management (PAM) and the Winter Hawks. PAM has exclusive operating rights to the VMC until 2023, has experience renovating spectator facilities, is willing to manage the Project without charging the project management fees, and is willing to take responsibility for construction of a portion of the renovation to avoid increased costs as a result of general contractor overhead and fees. For these reasons PAM's participation in the project should be authorized on a sole-source basis.

In addition, the award of the Redevelopment Agreement to PWH should be exempted from competition requirements of state law and City Code on a sole-source basis because PWH is the only user of VMC that is willing to commit significant private capital to the renovation costs (\$10 million).

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.

This ordinance has no direct impact on City revenues.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required)

This ordinance has no direct impact on City expenditures.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.)

No.

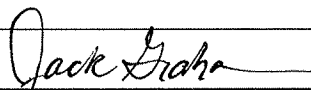
6) Will positions be created or eliminated in future years as a result of this legislation?

No.

Complete the following section only if an amendment to the budget is proposed.

7) **Change in Appropriations** (If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Center Code column if new center needs to be created. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Amount

Jack Graham 

APPROPRIATION UNIT HEAD (Typed name and signature)



OFFICE OF MAYOR SAM ADAMS
City of Portland

November 10, 2011

TO: Commissioner Fish
Commissioner Fritz
Commissioner Leonard
Commissioner Saltzman

FROM: Mayor Adams

SUBJECT: Veterans Memorial Coliseum

My office is filing two documents for the November 17th City Council agenda dealing with the renovation of Veterans Memorial Coliseum (VMC). The first item is a resolution and non-binding term sheet for the project. PDC, OMF, the City Attorney and my office has negotiated this term sheet with our private partners on the project, Portland Arena Management (PAM) and the Portland Winter Hawks. The term sheet captures the parties' understandings on many of the critical business issues that must be addressed for this project to move forward.

The second item being filed is an ordinance authorizing the sole source acquisition and execution of a redevelopment agreement for the VMC with PAM and the Winter Hawks. As explained in the ordinance, PAM has exclusive operating rights to the VMC until 2023, has experience renovating spectator facilities, is willing to manage the Project without charging the project a management fees, and is willing to take responsibility for construction of a portion of the renovation to avoid increased costs as a result of general contractor overhead and fees.

In addition, the award of the Redevelopment Agreement to PWH should be exempted from competition requirements of state law and City Code on a sole-source basis because PWH is the only user of VMC that is willing to commit significant private capital to the renovation costs.

After so many years of uncertainty, I am very pleased that this project is moving ahead and this historic arena will be renovated and will continue to be a part of Portland's cultural infrastructure.

Please contact my office if you have questions or need additional information about these items.

ORDINANCE NO.

Authorize sole source acquisition and execution of a redevelopment agreement and related agreements, the Redevelopment Agreement, with the Portland Winter Hawks, Inc. and Rip City Management, LLC, doing business as Portland Arena Management, successor-in-interest to Oregon Arena Corporation for the renovation of Veterans Memorial Coliseum (Ordinance)

The City of Portland ordains:

Section 1. Portland City Council ("Council") finds that:

1. The City plans to enter into a public/private partnership to design, finance, and construct renovations to VMC (the "Project") for the purpose of contributing to the revitalization of the Rose Quarter.
2. VMC is owned by the City and operated by PAM pursuant to that certain Memorial Coliseum Operating Agreement, dated as of April 23, 1993 (the "Operating Agreement"), between the City and PAM.
3. VMC currently serves as the primary venue for PWH, a user of VMC pursuant to a contract with PAM and the owner and operator of Portland's Western Hockey League franchise.
4. The City proposes to enter into the Redevelopment Agreement with PAM and PWH to, among other things, share the costs of the Project. The City also proposes to amend the Operating Agreement as may be necessary to facilitate financing for the Project or the negotiation of the Redevelopment Agreement.
5. The City Council is the Local Contract Review Board with authority to exempt certain goods and services contracts from the competitive bidding requirements of Oregon state law and City Code.
6. The award of the Redevelopment Agreement to PAM should be exempted from competition requirements of state law and City Code on a sole-source basis because PAM holds exclusive operating rights to VMC until 2023, has experience renovating spectator facilities, is willing to manage the Project without charging the City for Project management fees, and is amenable to managing the construction of portions of the renovations being done directly by vendors thereby avoiding general contractor overhead and fees. To the City's knowledge, no other entity exists that is willing to manage the Project without charge to the City or the Project.
7. In addition, the award of the Redevelopment Agreement to PWH should be exempted from competition requirements of state law and City Code on a sole-source basis because PWH is the only user of VMC that is willing to commit significant private capital to the renovation costs.
8. The Redevelopment Agreement will require compliance with the City's or PDC's workforce and business equity policies.

9. Attached as Exhibit A to this ordinance is the Proposed Transaction Terms (Renovation of Veterans Memorial Coliseum) for the Redevelopment Agreement.

NOW, THEREFORE, Council directs:

- a. Council adopts the findings set forth above.
- b. Based on the findings above, the Redevelopment Agreement and related agreements are exempt from competition as sole source contracts under state law and City Code.

Passed by the Council

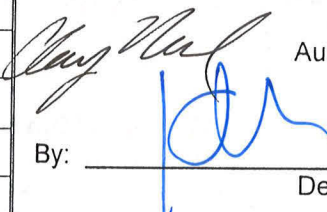
LaVonne Griffin-Valade
Auditor of the City of Portland
By

Deputy

Mayor Sam Adams
Prepared by: **PETER PARISOT**
Date Prepared: **11/9/11**

Agenda No.
ORDINANCE NO.
Title

Authorize sole source acquisition and execution of a redevelopment agreement and related agreements, (the "Redevelopment Agreement"), with the Portland Winter Hawks, Inc. ("PWH") and Rip City Management, LLC, doing business as Portland Arena Management, successor-in-interest to Oregon Arena Corporation ("PAM"), for the renovation of Veterans Memorial Coliseum ("VMC"). (Ordinance)

INTRODUCED BY Commissioner/Auditor: Mayor Sam Adams	CLERK USE: DATE FILED <u>NOV 10 2011</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Adams	LaVonne Griffin-Valade Auditor of the City of Portland By:  Deputy
Position 1/Utilities - Fritz	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Leonard	
BUREAU APPROVAL Bureau: Mayor's Office Bureau Head:	ACTION TAKEN: NOV 17 2011 REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION
Prepared by: Ball Janik Date Prepared: 11/08/11	
Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date 11/17/2011	
City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter	

AGENDA	2 of 3
TIME CERTAIN <input checked="" type="checkbox"/> Start time: <u>7:00</u> Total amount of time needed: <u>1 hour</u> (for presentation, testimony and discussion)	
CONSENT <input type="checkbox"/>	
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)	

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz	
2. Fish	2. Fish	
3. Saltzman	3. Saltzman	
4. Leonard	4. Leonard	
Adams	Adams	